



HOME AFRIKA

# 2021

---

## INTEGRATED ANNUAL REPORT AND FINANCIAL STATEMENTS

---





**Water Feature**  
*Migaa Golf Estate*



## TABLE OF CONTENTS

About This Report	4	<b>CORPORATE GOVERNANCE</b>	
<b>COMPANY INFORMATION</b>		Corporate governance report	84-89
Company details	5	Directors' remuneration	90-96
Subsidiaries	6	Financial strength	97
Mission, Value & Slogan	7	<b>FINANCIAL REVIEW</b>	
Core values	8 - 9	Company information	100-101
History and background of Home Afrika	10 - 11	Report of the directors	102-103
Organogram	12	Statement of directors responsibilities	104
Directors profile	13 - 18	Report of the independent auditor	105-107
Management profiles	20 - 22	<b>FINANCIAL STATEMENTS</b>	
Chairman's Statement	24 - 25	Consolidated statement of profit or loss and other comprehensive income	108
Managing Director's Statement	26 - 27	Company statement of profit or loss and other comprehensive income	109
<b>OUR BUSINESS</b>		Consolidated statement of financial position	110
Company business model	28 - 32	Company statement of financial position	111
Business environment and Operational context	33	Consolidated statement of changes in equity	112
Our Stakeholders Engagement	35 - 36	Company statement of change in equity	113
Material Risk and opportunities	37 - 40	Consolidated statement of cash flows	114
<b>STRATEGY</b>		Company statement of cash flows	115
Strategy objectives	42-43	Notes to the financial statements	116 - 150
Project report	44-56	Schedule of expenditure	151
Marketing report	58-66		
ICT report	68-72		
Human capital report	74-76		
Performance against strategy	77		
Chief Financial Officer's Report	78		
Sustainability report	79-81		
Corporate Social responsibility	82-83		

## ABOUT THIS REPORT

Home Afrika Limited is pleased to present its 2021 Integrated Report. The Group views integrated reporting as a means of communicating with its stakeholders and providing insight into the Group's governance, strategy, performance and future prospects.

### Scope and basis for preparation and presentation frameworks

This Integrated report has been prepared for the period 1st January 2021 to 31st December 2021 and covers the activities of the company and its subsidiary companies. It has been prepared in accordance with the International Integrated Reporting Council's (IIRC) Integrated Reporting Framework (<IR> Framework). Home Afrika has applied the principles contained in the IFRS, Companies Act, Capital Markets Authority (CMA) Code of Corporate Governance, and the Nairobi Securities Exchange (NSE) listing requirements.

The report consciously communicates how Home Afrika's strategy, governance, performance and prospects lead to value creation for our stakeholders and Investors over the short, medium and long term.

### Target Audience And Materiality

It is prepared principally for our current and prospective investors to support their capital allocation assessments. The report is also relevant for any other stakeholder who has an interest in our performance and prospects. This report focuses on material matters that affect our ability to create and sustain value and deliver on our strategy.

Material matters are those factors that have the most impact on our ability to create value. They have an impact on our performance and relationships with our stakeholders. These matters influence the strategic approach adopted in steering the group in the short, medium and long term.

### Board Responsibility

The Board of directors confirms its responsibility to ensure the integrity of the report. In its opinion, this report provides a true position of the group's activities, material issues and performance. 2021 Integrated Annual Report and Group Financial statements were approved by the Board of Directors on the 29<sup>th</sup> April 2022.

Certain statements in this report may constitute 'forward-looking statements'. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of Home Afrika Limited and its subsidiaries to be materially different from the future results, performance or achievements expressed or implied by such forward-looking statements.

The Group undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this document, or to reflect the occurrence of anticipated events. These have not been reviewed or reported on by the Group's auditors.

## COMPANY INFORMATION

### BOARD OF DIRECTORS

Peter Mungai Ndung'u  
Dan Ochieng Awendo (Retired on 31<sup>st</sup> Oct 2021)  
Mbugua Gecaga  
Luke Mwiti Kinoti  
Frida Owinga  
Jayne Nyokabi  
Nelson Ashitiva

### PRINCIPAL PLACE OF BUSINESS

Morningside Office Park  
Ngong Road  
P.O. Box 6254, 00100  
NAIROBI

### INDEPENDENT AUDITOR

GMK Accountant LLP  
Certified Public Accountants  
P.O Box 8007 - 00200  
NAIROBI

### PRINCIPAL BANKERS

Kenya Commercial Bank Limited  
NAIROBI

I&M Bank Limited  
NAIROBI

Chase Bank (Kenya) Limited  
NAIROBI

NIC Bank Limited  
NAIROBI

### LEGAL ADVISORS

Muriu Mungai & Company Advocates.  
NAIROBI.

Wainaina Ireri & Co Advocates  
NAIROBI

Robson Harris & Co Advocates  
NAIROBI

## SUBSIDIARIES





## MISSION

---

To address the housing need in Africa.



## VISION

---

To be the leader in the provision of dignified planned communities across Africa.



## SLOGAN

---

Houses Become Homes



## CULTURE

---

**What we do:**

Disciplined Focus on Results

**How we do it:**

Empowering Innovation & Teamwork

## CORE VALUES

The Company's business development, internal interactions as employees and external interactions are driven and defined by our core values. These are : **(PRIDES)**

### **P**assion

Passion for the job is every employee's emotional connection to their duties and their individual commitment to fulfilling their respective clients' needs. Passion for the organization is the employee's and company leadership's collective commitment to fulfilling the company's vision for success.

Passion is a tenant of the Company's core values because it encourages the employees to remain committed to their work and to own their respective duties while serving internal and external clients.

### **R**espect

Respect as a company value in this instance refers to the ability to consider other people in work related interactions.

The platinum rule regarding respect if an employee requires it from others ,they must also be respectful. The Company currently has a diverse client base and its interactions with them are defined by non-discrimination in all its forms and dignity of all persons.

Respect amongst employees and the Company's leadership means consideration of their privacy, physical space and belongings; different viewpoints, philosophies, physical ability, beliefs and personality.

### **I**nnovation

Innovation is the development of new values through solutions that meet new requirements, inarticulate needs, or old customer and market needs in value adding new ways.

The Company remains committed to discussing and implementing employees' ideas for more effective policies, processes and methodologies. Employees are encouraged to engage their creative selves and contribute to the improvement of service delivery to internal and external clients.

## Discipline

Discipline as a core value refers to the employees' ability to understand the company's business strategy, ethical standards of conduct and expected employee output and incorporating them whilst carrying out their individual duties and decision making processes.

## Excellence

As a core value, excellence in the Company's context refers to the continuous improvement of the Excellence is a talent or quality that is unusually good and so surpasses ordinary standards. It is also used as a standard of performance.

Practice makes perfect and so every employee must be allowed to keep improving his or her performance over time.

## Spirit of Teamwork

Teamwork is the ladder that takes any organization to the heights of success.

Teamwork is defined as the cooperative effort of a group of people to achieve a specific goal. This goal cannot be attained individually. A group of people with different talents must work together to accomplish the task. Good teamwork is the essence of any organizational achievement. This brings results that are more fruitful. Thus, the spirit of teamwork is the first attribute that every leader strives to inculcate in his employees. Teamwork supports in developing remarkable moral values among the team members.

At the Company, we will inculcate teamwork by encouraging the already present group prayer and team activities effort.

## History and Background of Home Afrika:

Home Afrika is a publicly quoted Real Estate company incorporated in 2008 and founded on a mission to address the housing need in Africa.

Home Afrika was listed on the Growth Enterprise Market

Segment (GEMS) of the Nairobi Securities Exchange (NSE) in July 2013.

Home Afrika Limited seeks to create communities around Africa by providing quality, sustainable and affordable housing.

**2008**

In July 2008, the company is registered under the name Home Afrika Limited, with a capital outlay of Ksh. 200 Million and 128 shareholders.



**2010**

Home Afrika Limited is invited to partner in the Migaa Development Project set to be the largest gated community in Kenya.



**2009**

Home Afrika Limited gets its first major project, Morningside Office Park at a cost of Ksh. 1 Billion set to be completed in 2010.



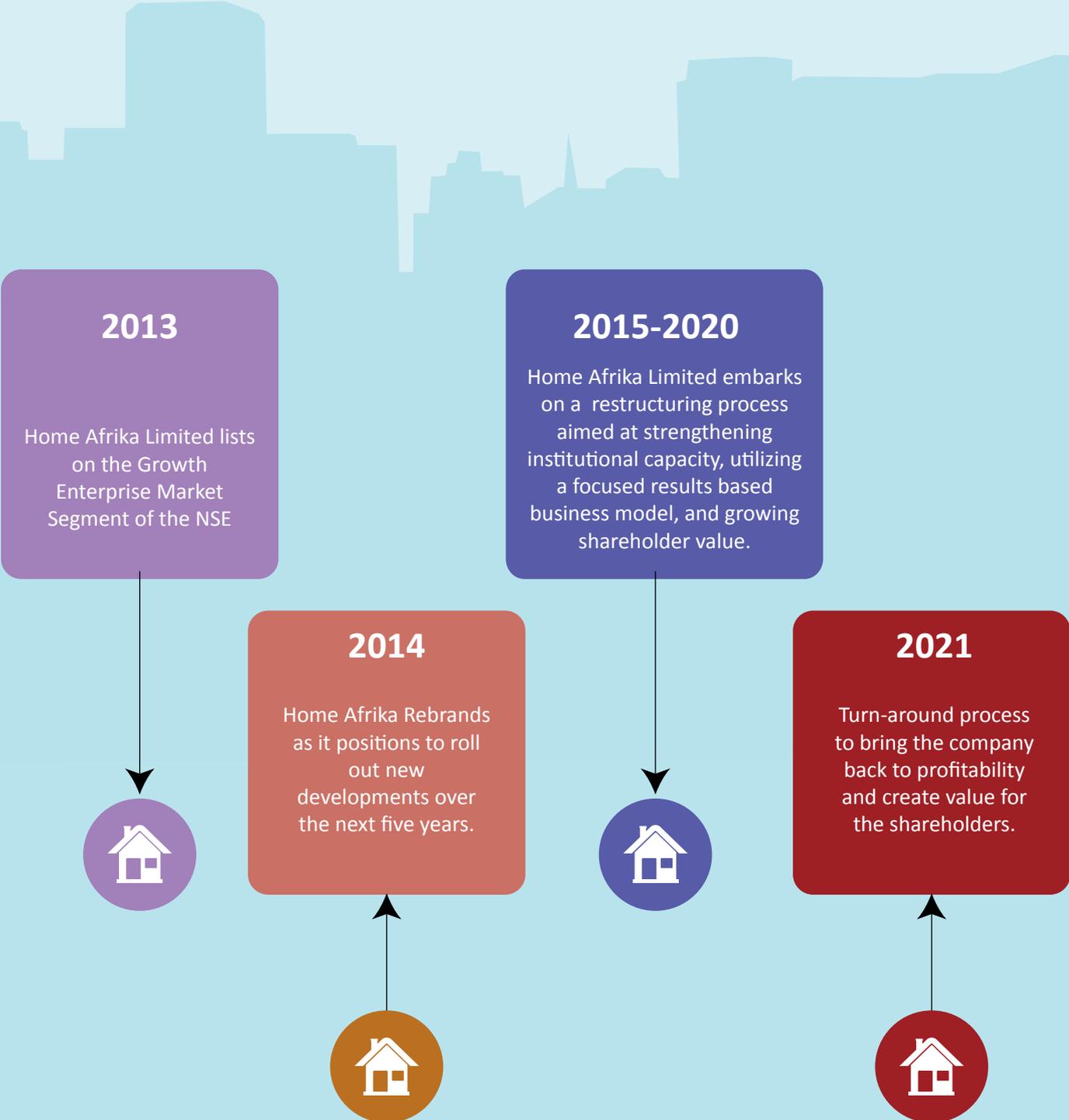
**2011-2012**

Home Afrika Limited initiates two new projects including Lakeview Heights in Kisumu County and Llango in Kwale County

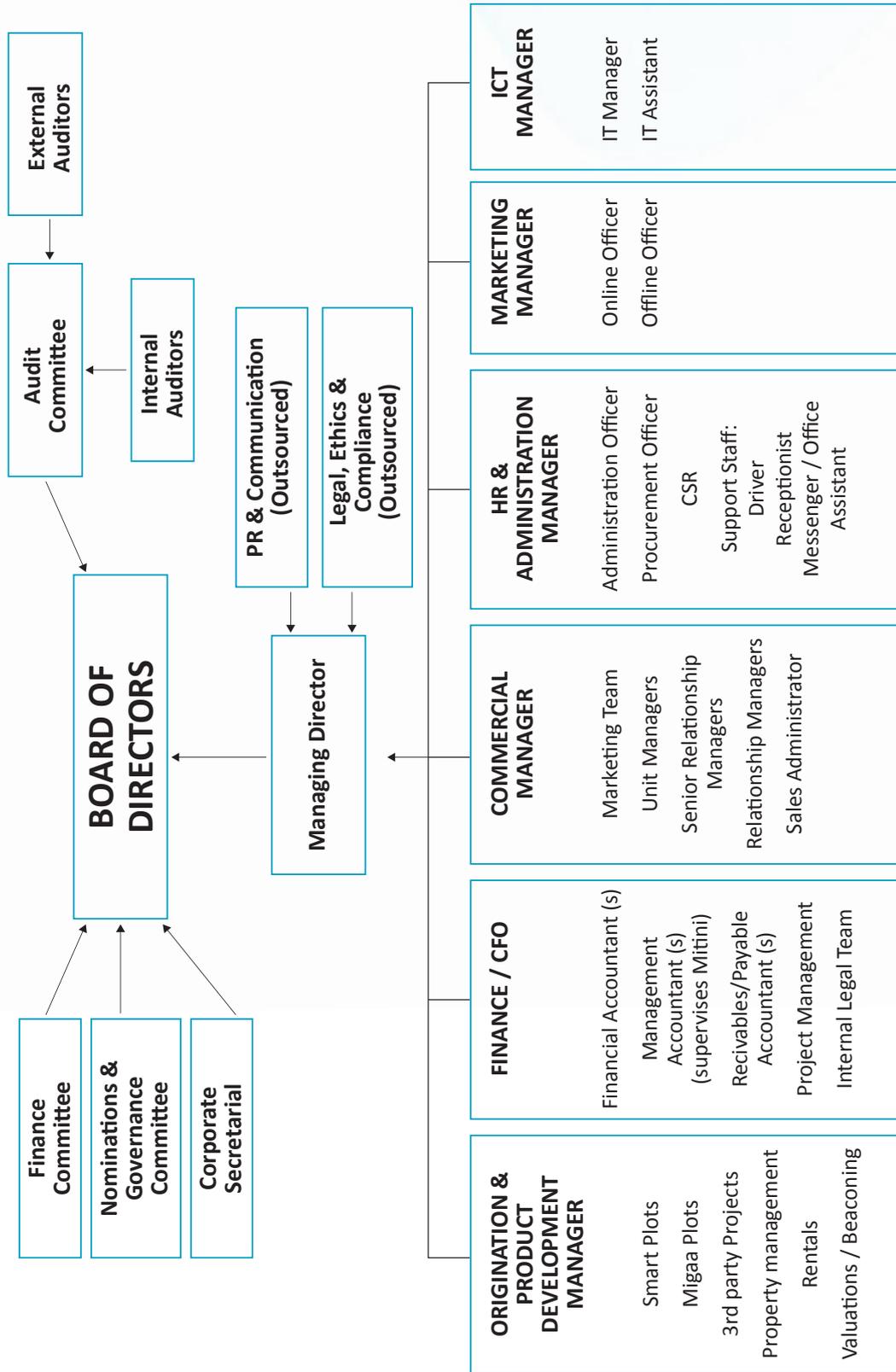


We follow the principle of long term positive societal impact, creating synergies in our partnerships, integrity, fairness and discipline.

Our goal is to meet the huge demand for housing in Kenya and the rest of Africa.



# ORGANIZATIONAL STRUCTURE



## DIRECTORS PROFILES



**PETER MUNGAI**  
**CHAIRMAN**  
(Independent)

**Years in Industry: 30 +**

### Education

- Doctor of Philosophy (Leadership & Management) – Management University of Africa (ongoing)
- Master of Business Administration (Strategic Management) – Management University of Africa
- Bachelor of Education (Business Studies & Mathematics) – Kenyatta University
- Certified Public Accountant of Kenya (CPA-K) – Institute of Certified Public Accountants of Kenya

### Industry

Audit Accounting and financial advisory

### Summary Experience

Mr. Peter Mungai is a seasoned Management Consultant with vast experience in team management, change management, corporate strategy development and implementation, collaboration and corporate partnerships.

He has over 30 years' experience in audit, accounting, and finance and management consultancy having worked in various institutions in different capacities.

He serves in the Public Finance & Tax committee of ICPAK His broad and versatile skill set has enabled him to have notable achievements including being the Past Chairman of the Board Directors of Limuru Golf & Country Club, Chairman of the Board of Finance & Council member of the Kenya Institute of Management and Chairman of New Dawn Investments.

He brings a wealth of experience in management consultancy, statutory audits, MIS Audits and impact assessment on projects having worked in various institutions such as Dan & Anderson Associates, Sub-Saharan Africa (ABM) Eastman Kodak Inc. and Wachira Irungu & Associates.



**CPA JAYNE NYOKABI**  
**AG MANAGING DIRECTOR**  
(From November 2021)

**Years in Industry: 15 +**

### Education & Membership

- Masters in Business Administration (ongoing)
- Bachelor of Commerce (Finance)
- Certified Public Accountant of Kenya and a registered member with ICPAK
- Registered Estate Agent by the Estate Agency Registration Board, EARB
- Member of (AWAK) the Association of Women Accountants in Kenya.
- Rotarian

### Industry

Real Estate, Accounting, Corporate Finance and Management consultancy

### Summary Experience

Jayne is a performance leader, growth champion and finance expert with over 15 years working experience in Management, Accounting, financial advisory and reporting. As the acting Managing Director, she is in charge of developing and implementing strategies, company policies, engage stakeholders, & drive the organization to succeed by creating value for the shareholders. Jayne is in charge of directing the company's operations to make sure it achieves its objectives effectively and efficiently.

As the Chief Finance Officer, Jayne was responsible for all aspects of finance, investor relations, legal & office operations and facilities as well. She is in charge of developing finance organizational strategies, analysis, and recommendations to strategic thinking and direction, and establishing functional objectives in line with Home Afrika Limited objectives. Her responsibility involves financial advisory and management, increasing the financial stability, establishing finance operational strategies by evaluating trends, determining profitability, accumulating resources, and implementing change as well as ensuring efficient resource utilization for Home Afrika Limited.

## DIRECTORS PROFILES



### DAN AWENDO

**Managing Director** (Non-Independent)

Upto October 2021

**Years in Industry: 25 +**

#### Education

- AMP from Strathmore Business School and IESE Business School in Spain
- Certified Public Accountant, Strathmore University

#### Industry

Audit, accounting, corporate finance and management consultancy

#### Summary Experience

Dan is an accounting and finance professional with over 28 years of post-qualification experience in audit, accounting, management consultancy, corporate finance advisory and entrepreneurship. He is a Certified Public Accountant, a Financial Analyst and a graduate of the Advanced Management Program (AMP) from Strathmore Business School and the



***..the only real estate development company listed on the Nairobi Securities Exchange..***



IESE Business School of Spain. Dan is one of the founders and currently the Managing Director of Home Afrika Limited, the only real estate development company listed on the Nairobi Securities Exchange where he's currently leading a turnaround strategy to transform the company into an efficient, profitable and valuable investment vehicle.

Dan is also the founder and immediate former Chief Executive of Investeq Capital, a company that focused on the unique

environment of financing Small & Medium sized business in East Africa. Assignment engagements with the International Finance Corporation (IFC), the private sector arm of the World Bank, gave him an opportunity to travel across the continent consulting and training bankers at over 50 commercial banks on SME finance and structured trade finance. Investeq's principal business is the provision of innovative short-term trade and other related working capital facilities as an alternative to traditional banking and capital market solutions to meet the growth needs of SME entrepreneurs in Kenya and Uganda.

Before founding Investeq Capital, Dan was the General Manager for Loita Capital Partners and Loita Asset Management and was responsible for the group's East African Corporate Finance business.

#### Other Engagements

Dan is currently the President Elect, Rotary Club of Nairobi East. Dan has been a Rotarian for over 10yrs and has played an instrumental role in supporting the club's community project initiatives. Rotary is an international voluntary service organisation made up of 1.2 million volunteers around the world who contribute their time, energy and passion to sustainable, long-term projects in local communities across the globe.

Dan is a board member of various companies in the telecommunications, Africa International University and infrastructure development. He has been a founding board member of the Youth Enterprise Development Fund, a KSh.5billion fund established by the Kenyan government to fund entrepreneurial development amongst the youth in Kenya. Dan has also been a board member and country treasurer of the Kenya Institute of Management, Chairman of the Enablis Loan Fund Investment Committee and a member of an SME Think Tank organized by the Financial Sector Deepening Fund, a DFID program.

Dan has previously been named by The Business Daily as amongst Kenya's "High Impact Entrepreneurs" and also amongst Kenya's "CEO's with Golden Hands". He has also been profiled by The Standard Newspaper as a "Captain of Industry"

## DIRECTORS PROFILES



### **LUKE KINOTI** **Non-Executive Director**

- (Non-Independent)

**Years in Industry: 30 +**

#### **Education**

- Masters of Arts in Sociology - University of Nairobi
- Bachelor of Science in Mathematic & Statistics-University of Nairobi
- Post Graduate Diploma in Management- Kenya Institute of Management

#### **Industry**

Investment Banking, Private Equity and Real Estate Development

#### **Summary Experience**

Mr. Kinoti, is an accomplished entrepreneur, investor and corporate leader in the world of investment banking and Real Estate, with extensive post graduate training in finance, investment, private equity, business leadership and management. He has had work experience in India, Sri-Lanka, Malawi, Zimbabwe, Ghana, Tanzania, South Africa, Rwanda and Uganda.

Luke began his finance and business careers in 1990 as a founding Chief Executive Officer of ECLOF Kenya. A Microfinance Institution with global headquarters in Geneva, which provides

financial and related non-financial services to micro, small and medium entrepreneurs in Kenya.

In 2006, he Co-Founded Fusion Capital, a private equity and real estate development firm with business interests in EAC. The company was awarded ISO 9001:2008 in 2013. He steered the company and in 2016, launched the pioneer development real estate investment Trust (DREITs) in Kenya, and, opening of Kigali Heights, an ultra-modern mixed use complex in Rwanda.

He retired from Fusion Group of companies and joined Suntra Investment Limited, a leading stockbrokerage company regulated by Capital Market Authority (CMA) as Managing Director and CEO. He left Suntra in 2020 to Start Vedman Capital Limited, consulting firm specializing in Finance, Investment and Investor Relations. Vedman is registered by Nairobi Securities Exchange as a Nominated Advisor (NOMAD) and a member of ICIFA

Luke serves in numerous board positions including the chairman of Key Microfinance Bank Plc, Kenya Association of Stockbrokers & Investment Banks (KASIB), Home Afrika Ltd, Riziki Kenya, International Leadership University and REITS Association of Kenya (RAK). He is a member of Kenya Institute of Management (KIM), Institute of Directors (Kenya), and Project Management Institute (MPMI).

Mr. Kinoti is a speaker, mentor and author of “The Merchant’s Pearl”, a book that addresses challenges that a modern-day entrepreneur encounter.

## DIRECTORS PROFILES



**MBUGUA GECAGA**  
**Non-Executive Director**  
- (Non-Independent)

**Years in Industry: 25 +**

### Education

- MBA-Henley Management College
- Bachelors of Science-University of Nairobi

### Industry

Marketing, brand strategy and business management.

### Summary Experience

A marketer by training Mr. Gecaga has over 20 years of experience in the Marketing and Branding profession.

Having worked with British American Tobacco, the region's largest supplier of tobacco related products, in senior marketing positions in Kenya, Uganda, Ethiopia, Zimbabwe and the Indian Ocean Islands, Mbugua is well versed in strategic marketing, and he brings on-board important skillsets for the execution of the Company's marketing and sales strategies.

Mbugua is currently a consultant with Uza Bora Consultants.

He is also serving in the Finance, Procurement, Admin & Strategy Committee for Home Afrika Ltd where among others he oversees the Group's financial performance and strategy.

Aside from his role in the committee, drawing from his years of experience in marketing, he ensures that Home Afrika Ltd is aligned strategically in relation to brand presence and market.



**BERTHA NAVURI MVATI**  
**Non-Executive Director**  
- (Independent)

**Years in Industry: 15 +**

### Education

- Bachelor of Business Administration (Finance) – Uganda Christian University
- Programme for Management Development – Strathmore University
- Skills Training: Lease Training – Amemba & Halladay (A&H)

### Summary Experience

Bertha N. Mvati is a finance and leasing expert with tremendous experience in deal origination, negotiation, execution and credit risk. She has over 15 years' experience in fund raising, end to end contract management, strategic planning, operations management, budget planning, risk mitigation and board collaboration having worked in various institutions in different capacities.

Bertha holds a Bachelor of Business Administration degree in Finance from Uganda Christian University. She honed her skills further by undertaking the Programme for Management Development course at Strathmore University and a Lease Training by the reputable and respected Amemba & Halladay (A&H).

Her vast and diverse skill set has enabled her to have notable achievements including securing funding for transactions by debt structuring with local banks and offshore lenders while maintaining 100% repayment to all financiers, spearheading the setup of 6 majority-owned subsidiaries across East and Southern Africa, and steering the growth of the lease book from a USD 100,000 book to a lease book of over USD 100M. Her most recent achievement is her heading a Finance & Risk Board Committee which is mandated with ensuring that all financial, risk and compliance processes are running optimally.

In addition to being a Director at Home Afrika Limited, Bertha is also Board member at Avantis Limited and Lipa Chat who are aggregated service providers of IT systems, insurance and fleet management.

## DIRECTORS PROFILES



**FRIDA A.OWINGA**  
**Non-Executive Director**  
- (Independent)

**Years in Industry: 25 +**

### Education

- Bachelor of Science Degree in Organizational Leadership and Management from the Regent University, Virginia Beach.

### Industry

Learning and Development Coach & Mentor

### Summary Experience

Frida A. Owinga is the founder of PassionProfit, a people and enterprise development organization that fosters the creation of jobs and eradication of poverty by helping people turn their passion into profit. She is a certified Business Advisor and Best Year Yet Coaching Partner. She supports her clients to turn their passion into profitable work that they love and enjoy whether employed or self-employed.

She has been working with individuals and organizations for over 25 years across sectors - International Trade, Retail, Tours and Travel and Beauty; and geographies - Japan, USA, UK, South Africa, Uganda, Malawi and Zambia.

Frida studied organizational leadership and management at the Regent University in Virginia; small business management by Small Business Authority in Atlanta, Georgia; Launch and Grow Entrepreneurship at Babson College, in Boston and is an alumnus of 10k Women in Business by Goldman Sachs, USIU-Africa and continues to study to remain relevant and impactful.

She serves on the executive board of Organization of Women in International Trade (OWIT), as the Executive Vice President; non-executive director at Home Afrika Limited, a member of Boardroom Africa and is the Partnerships Director of SME Founders Association an organization that fosters a sustainable business environment for business leaders and professionals to grow and succeed.



**NELSON ASHITIVA**  
**Non-Executive Director**  
- (Independent)

Appointment Date: 1st September 2021

**Years in Industry: 15 +**

### Education

Mr. Ashitiva is a Member Chartered Institute of Arbitrators, holds a Bachelor of Laws from University Nairobi and is currently pursuing his MBA from University of Nairobi.

### Industry

Mergers and acquisitions, Capital Markets, Corporate & Commercial Transactions, Real Estate and Investments.

### Summary Experience

Mr. Ashitiva is a lawyer, business leader and corporate governance expert with more than 15 years' experience.

He leads three business advisory firms in the sector of law, energy and structured finance. His expertise includes mergers & acquisitions, capital markets, corporate/ commercial transactions and investments in each of which fields he is an acknowledged leading professional.

He regularly advises boards of private and publicly listed companies on capital raising, corporate governance, business strategy and regulatory compliance.

## DIRECTORS PROFILES



### MADREN OLUOCH OLUNYA

Company Secretary

#### Education

Madren holds various qualifications including a Master of Law Degree (LL.M) from the London School of Economics and Political Science, UK. She is an Advocate of the High Court of Kenya, a Certified Public Secretary (Kenya) and is also an alumnus of Strathmore Business School, Kenya and IESE Business School, Spain. She is a founder Board Director of the Institute of Directors (Kenya) where she has been a member since inception in 2004.

#### Summary Experience

Madren Oluoch-Olunya is the Managing Partner of Azali Certified Public Secretaries LL.P. a premium provider of board secretarial and corporate governance advisory services. She is a multi-skilled professional with extensive management and consulting experience gained over twenty (20) years in Board, Legal and Human Resource practice.

She has worked in both the public and private sectors and across finance, hospitality and fast-moving consumer goods industries within Africa.

She has consulted for various clients including the IFC Africa Corporate Governance Program.

Madren works with various organizations to implement international best practices related to corporate governance and build capacity for the sustainability of these interventions.

She has developed various corporate governance tools, facilitated training workshops, conducted governance assessments and board evaluations, led director searches, induction and provided general governance and HR advisory services in emerging markets. Madren is an experienced Board director and Pension trustee and she participates as a speaker/panelist in several professional forums.

She is also an accredited governance auditor.



---

*The strength of the team is each individual member. The strength of each member is the team.*

---

## MANAGEMENT PROFILES



**Dan Awendo**  
*Managing Director*  
(Upto October 2021)

Mr. Awendo has over 25 years of post qualification experience in audit, accounting, management consultancy, corporate finance and entrepreneurship. Dan has worked in various senior management positions in both local and international companies and has been a board member of various companies and learning institutions in Kenya.

Dan is the founder and previously the CEO of Investeq Capital, a company that focuses on the unique environment of financing Small & Medium sized business in East Africa. Dan led Investeq Capital to win both local and continental awards in Strategy, Leadership, Customer Orientation, Financial Performance and Entrepreneurship.

He has also previously been named by The Business Daily as amongst Kenya's "High Impact Entrepreneurs" and also amongst Kenya's "CEO's with Golden Hands". He has also been profiled by The Standard Newspaper as a "Captain of Industry."



**CPA Jayne Nyokabi**  
*Ag. Managing Director*  
(From November 2021)

Jayne is a performance leader, growth champion and finance expert with over 15 years working experience in Management, Accounting, financial advisory and reporting.

As the acting managing Director, she is in charge of developing and implementing strategies, company policies, engaging stakeholders, and driving the organization to succeed creating value for the shareholders. Jayne in charge of directing the company's operations to make sure it achieves its objectives effectively and efficiently

As the chief finance officer, Jayne was responsible for all aspects of finance, investor relations, legal, and office operations and facilities as well. She is in charge of developing finance organizational strategies, analysis, and recommendations to strategic thinking and direction; establishing functional objectives in line with Home Afrika Limited objectives.

Her responsibility involves financial advisory and management, increasing the financial stability, establishing finance operational strategies by evaluating trends; determining profitability, accumulating resources; and implementing change as well as ensuring efficient resource utilization for Home Afrika Limited.

## MANAGEMENT PROFILES



**CPA Hillary Andalo**  
*Management Accountant*

A highly skilled Finance, Management Accounts and Administration Professional, CPA-K with over 10 years of work experience playing key roles in the preparation of strategic plans, providing financial analysis, effective leadership and ensuring fiscal compliance.

Adept in budget development and administration, financial modelling, forecasting and reporting, fixed assets management, strategic and long-term planning, opportunity analysis and risk management. Practiced in design and planning of audit and assurance engagements. Expertise in International Financial Reporting Standards and International Auditing Standards.

His responsibilities include but not limited to advisory role to the management on financial matters, manage cash flow, oversee the treasury function and adopt best practices in finance department and ensure timely preparation and submission of accurate financial reports.

Hillary holds a degree in Bachelor of commerce Accounting option and a registered member of ICPAK.



**Victor Wanyumu**  
*Commercial & Marketing Manager*

Victor is a highly talented sales and marketing expert with a wealth of experience majorly cutting across the banking and real estate sectors.

Prior to joining Home Afrika Ltd he was a sales Team leader in KCB Bank group within the central region. He was a consistent top performer and was instrumental in establishing and maintaining an admirable market share for the bank in the region. He joined Home Afrika as a Unit Manager and grew through the ranks to a Commercial Manager.

Victor has an undergraduate degree in Seed Science and Technology from Moi University. He has also pursued a Masters degree in Marketing from Kenyatta University.



**Dickson Wanjohi**  
*General Manager - Migaa*

Dickson has over 15 years of experience having worked for various organisations including Taxplan Consulting Associates, Oldonyo Laro Group Ltd and has in-depth experience working with Audit, Accounting, Tax and Financial Reporting.

His responsibility involves the daily management of Home Afrika Communities Limited (Migaa) - a subsidiary of Home Afrika Limited - where he ensures profitability, growth and goodwill as well as resources being utilized in the most efficient manner.

Dickson holds a Masters Degree in Strategic Management from the University of Nairobi and a Bachelors degree in Business Management specializing in Finance and Banking from Moi University.

Dickson is a CPA (K) and registered member with ICPAK.

## MANAGEMENT PROFILES



**Robert Simiyu**  
*Origination and Product Development Manager*

Robert Takes a vision and makes it reality through sound product development. He intuitively sees the threads of opportunity that wind through the industry, brings them together into a coherent whole, helps others extend their thinking, and drives material business advantage.

As head of product Development Simiyu has Revolutionized the way products are looked at in the industry, Revolutionizing processes that optimizes output for Each product. Prior to joining Home Afrika Robert served as the Head of Portfolios at Villa care limited a leading real estate Company Based in Nairobi where he was responsible for onboarding and overseeing company portfolio in over five counties in Kenya Championing portfolio growth. He has held similar positions in different institutions namely Anchor Group of Companies – A real Estate Consortium, ABSA Bank and KEPSA- the Umbrella body of private institutions championing Advocacy.

Mr. Simiyu Brings with Him an Extensive scope of over 8 Years in product development and Management.

He is a Graduate of a Diploma in Public Administration and Management from Moi University and a Bachelors in Business administration and Management from Mount Kenya University, he has done several trainings aimed at transforming teams majorly - Life Skills Training, Core Business Skill Training, Behavior Change Communication – A.N.U



**Beth Murugi**  
*Human Resources & Admin Manager*

Beth Murugi brings over 8 years' experience in administration and Human Resource Management.

As the Head of Human Resources, administration and purchasing department, Beth spearheads the recruitment process, reviews and develops relevant policies, handling any grievances and implementing disciplinary procedures. In her dual role as Head of Administration, she oversees the support staff, manages service contracts and the office space, while also leading the implementation of new office administrative procedures and policies.

Beth is a graduate of St Paul's University with a Bachelors of Business Administration specializing in Human Resource and Business Management.

Ms. Murugi also holds a Post Graduate diploma in Human Resource Management and is a registered member of the Institute of Human Resource Management.



**Sammy Njiru**  
*IT Manager*

Mr. Sammy Njiru is a performance driven and high-energy leader able to work with various stakeholders to achieve the company's strategic goals.

He has over 10 years experience in Retail, IT, Telecommunication and the Real Estate industry; At Home Afrika he has been keen with using technology to improve productivity, revenue, profits and margins for business via strategic partnership and within budget and cost project delivery.

He has extensively worked with Education Institutions, equity bank, Time-con limited as ERP Implementation lead. Mr. Sammy Njiru holds a Msc in GIS & Remote Sensing(ongoing) and BSc in Information Technology (Hons) from Jomo Kenyatta University.

Mr Sammy Njiru is a Qualified Associate CCNA Engineer, SAP B1.He is also a member of the ISACA and CISA Kenya.



***Great things in business are  
never done by one person; they're  
done by a team of people.***

*~ Steve Jobs*

## CHAIRMAN'S STATEMENT



### *Dear Shareholders,*

On behalf of the Board of Directors, I am pleased to present to you the Home Afrika group integrated annual report and financial statements for the year ended 31st December 2021.

### **An Overview**

During the year, Kenya's economy rebound following the easing of health related measures aimed at curbing the spread of Covid-19. For the past 2 years we faced tough times both local and globally and this tested our resilience and determination to keep moving.

The pandemic showed us the reality of the balance between life and livelihoods leading us to implement various initiatives, among them the Turnaround Strategy. The strategy is designed to bring the company back to profitability and create value for the shareholder.

Kenya's economy demonstrated resilience to the COVID-19 shock, with output in the first half of the year rising above pre-pandemic levels. In 2021 as a whole, gross domestic product (GDP) grew at 7.5%, one of the faster recoveries among Sub-Saharan African countries. The growth was supported by the rebound in industry and services sectors.

***“ The Turnaround Strategy is designed to bring the company back to profitability and create value for the shareholder. “***

The Sub Saharan Africa region registered an economic growth of 3.5% in 2021, supported by the elevated commodity prices as activities continue to rebound in the region's main trading partners.

The real estate sector remains a key player in the country's economy. Amidst the economic uncertainty, there are emerging opportunities as work, life and holidays evolve beyond the pandemic. Homes have become central tenets in the live-work-play lifestyle that has been thrust to the fore by the pandemic. In 2020, there was a 68% recession in the demand for office space in Kenya as the government sought to contain the spread of COVID 19 in the country by instituting curfews, lockdown measures, and encouraging employers to allow their employees to work from home. 2021 organizations continued to find their ways of reducing their overheads and this trend is expected to continue.

The commercial office sector realized a slight improvement in its overall performance in 2021, with the average rental yields coming in at 7.1%, 0.1 % points higher than the 7.0% recorded in 2020. The average occupancy rates increased by 0.2% to 77.9%, from 77.7% recorded in 2020.

The residential sector recorded an improvement in performance, with the average total return to investors at 6.1%, an increase from the 4.7% recorded in 2020. The provision of affordable housing is one of the pillars of the Big 4 Agenda. Majority of Kenyans found themselves in an unwarranted situation brought about by the inability to raise rent during the pandemic, this pushed many people to have a desire to own a home.

Land proved to be a resilient asset even as the pandemic sent the economy into disarray. The Nairobi Metropolitan Area (NMA) land sector recorded an average annualized capital appreciation of 2.8% in 2021, representing an 8.3% 10-year Compounded Annual Growth Rate (CAGR). Unserviced land in the satellite towns of the NMA recorded the highest capital appreciation at 5.8%, which is 3.0% points higher than the market average of 2.8%.

With the ongoing infrastructure development around the country, it is expected the demand for land will continue to grow.

### Board Operations

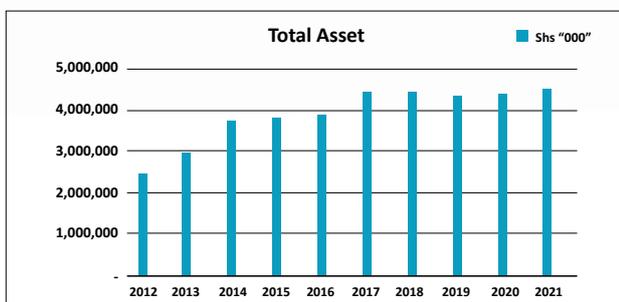
During the year 2021, there were some major changes within the board and management team. We saw the retirement of Mr. Dan Awendo who has served as the Managing Director of the company for the last 6 years. We also saw the appointment of Ms. Jayne Nyokabi as an executive director and later she was appointed to act in the position of the Managing Director. Legal Counsel Mr. Nelson Ashitiva was also appointed to the board as a non-executive director.

The board is determined to turnaround the company and bring it back to profitability and create value for the shareholders whom we represent, thus a Board Turnaround Committee was constituted with clear mandates.

The Board of Directors also remained committed to overseeing the implementation of sound corporate governance practices and structures. To enable efficient implementation of its duties, the Board delegated its authority to various committees to include; the Nomination, Governance, HR & Administration Committee which is particularly tasked with ensuring compliance with relevant regulatory bodies and standards.

### Share Performance

Despite our depressed share price, the book value of the group's sellable land and other inventory stood at KSh.3.6 billion in 2021. We continue to invest in infrastructure of the various projects, especially our main project, Migaa Golf Estate, which will help improve the market value of the land bank as the land becomes more desirable.



We know it is factual that our market capitalization is not reflected in our balance sheet size, especially if the current land market value is factored in. This is because our inventory in the balance sheet is carried at cost and not at the market value. This is in accordance with the IFRS reporting requirements.

### Dividends

The directors do not recommend a dividend for the period ending 31st December 2021.

### 2022 Strategic Outlook

Economic damage caused by war in Ukraine will contribute to a significant slowdown in global growth in 2022 and add to inflation. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries hardest. Global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022.

For the Kenyan economy, the growth outlook is positive. The economy is projected to grow by 5.9% in 2022. Despite the pandemic's challenges, the real estate industry is optimistic in 2022. With mortgage rates expected to remain below 5%, housing and land demand is expected to remain strong.

As a company, we intend to Implement the Turnaround Strategy, which will mainly focus in these four areas: -

1. Debt Restructuring
2. Business Continuity
3. Organizational Restructuring
4. Check on the operations Control Systems

The board remains confident with the above strategy and relaxed Covid 19 restrictions, the board is confident of improved group's performance and create value for all stakeholders.

With the resilience that we have built from the pandemic, the medical interventions currently ongoing globally and the gradual improvement in economic activity, I am optimistic that 2022 will be a better year for all of our stakeholders.

### Appreciation

I take this opportunity to appreciate the Home Afrika shareholders for the continued support to our company. I would like to appreciate my fellow Board Members for their service, loyalty and commitment to duty in serving the Home Afrika with me, the Management team and the entire staff for their dedication to take the company to the next level.

God bless Home Afrika, God bless us all.

PETER MUNGAI

Chairman  
Home Afrika Ltd

## MANAGING DIRECTOR'S STATEMENT



Dear Shareholders,

I am pleased to present to you the Integrated Annual Report for the financial year ended 31st December 2021.

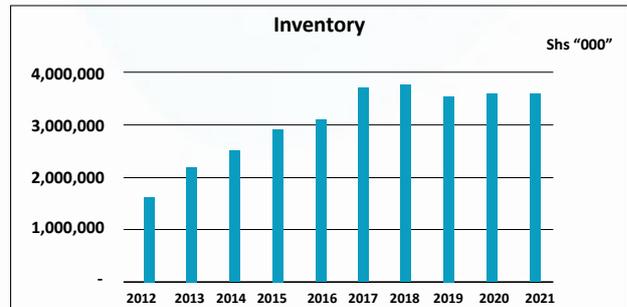
### 2021 Performance Review

The real sector industry in Kenya was resilient in 2021 as the economy recovered from the effects of COVID 19 pandemic. This brought in significant optimism in 2021 as the performance of businesses were better than the previous year of 2020. In 2021, the health related mitigation measures of the pandemic were relaxed with the country opening up thus, reigniting economic activities with positive spillover effects to the real sector.

The group reported a 30% growth in revenue for the year ending 31st December 2021 compared to the same period in 2020 and the gross profits grew by 204% from KSh. 52.4 million



**30%**  
growth in revenue  
for the year ending  
31st December 2021



to KSh. 159.5 million. Actual sales, not adjusted for percentage of completion, for 2021 were Ksh 570 million. This growth was as a result of reported sales by the group of registration of more leases and increase in the percentage of completion for the Migaa project which increased from 56% in 2020 to 58% in 2021.

This came against all odds faced by the industry in general in the wake of a depressed economic environment. In addition to growth in reported sales and gross profit thereof, the group has reported a 17% decrease in loss before tax for the period ending Dec 31st 2021 of KSh. 281.5 million down from KSh. 340.2 million posted in 2020.

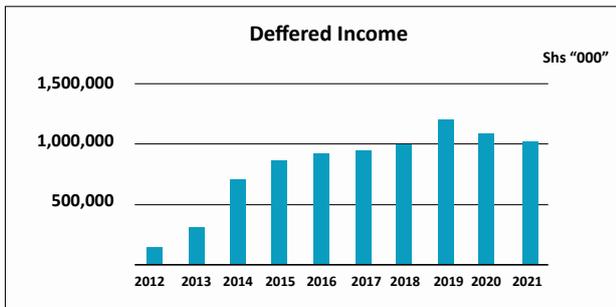
In line with our accounting policy, sales proceeds of the project (referred to in 2.1 above as actual sales and are not adjusted for percentage of completion) are carried in the balance sheet as current liabilities both as deferred income and as deposits from sales of plots both now closing at KSh. 3.2 billion as at 31st December 2021 compared with KSh. 3.1 billion for the same period in 2020. This amount will convert to gross revenues in our profitability statement as the percentage of completion of the project continues to improve from the current 58% in the medium-term prospects.

Further, all expenses are usually expensed in the current period.

The book value of the group's sellable land and other inventory stood at KSh.3.6 billion in 2021. Based on the above, we continue to invest in infrastructure of the various projects, especially our main project Migaa Golf Estate, which will help improve the market value of the land bank as it improves in value of sale and as the economy improves to scale up our sales turnover going forward.

### Business model

As a real estate company, we seek to invest in projects that will generate highest returns and create value for our shareholders. Thus, ensuring we have the right products in the market and adequate skills to meet the companies objectives.



Our core activities include Origination, Product Development and commercial / Sales.

Our products include but not limited to; Smart plots Developments, Migaa Products, Property letting services, Short stay rentals, Property Management Division and Land Survey Division.

Marketing these products is also fundamental, especially during this recovery period from Covid 19 pandemic. Virtual tours and social media marketing have played an enormous role in showcasing our products in the market.

Other functions that support the business include; Finance-Accounting & Treasury, PR & Communications, Administration, ICT, Legal & Compliance, HR & knowledge management and Audit & Risk

Our desired outcome includes but are not limited to; Profits, Customer satisfaction, Cashflow sufficiency, Project turn around, Positive PR in the market among others

### Company Turnaround

A special committee by the board has been put in place and mandated to ensure the company turns around. The committee will look into the following areas:

1. Debt Restructuring
2. Business Continuity
3. Organizational Restructuring
4. Check on the operations Control Systems

With the above strategy and relaxed Covid 19 restrictions, we are confident of improved group's performance and create value for all stakeholders.

### Outlook

In the medium term, the economy is projected to register a higher GDP growth to improve on 2021 growth of 7.5% due to continued recovery of businesses from the adverse effects of the pandemic owing partly to the continued reopening of the external trading partners.

Additionally, as the current government continues to fast track the completion of key projects before August 2022, we look forward to the growth in the real estate industry. However, due to the upcoming elections, investors might be conservative in their investment portfolios as they await the outcome of the election.

With the Turnaround strategy complete the company looks forward to restructuring the current debt, onboard new smart plot projects and having more joint venture partnership, substantive cost reduction and improve efficiency in our operation. This strategy is focused on bringing the company back to profitability and create value to our shareholders.

### Appreciation

I would like to thank all our employees for their commitment and dedication in the face of unprecedented adversity, I wish to acknowledge the support and direction that the management and I have received from the Board of Directors.

I appreciate all our stakeholders for the support and we equally remain most grateful to our shareholders for investing in Home Afrika.

**JAYNE NYOKABI**

**Ag. Managing Director,  
Home Afrika Limited**

## THE COMPANY BUSINESS MODEL





## BUSINESS MODEL ACTIVITIES

### Development

Once the land is purchased and planning has been completed the actual development of the project can begin. Home Afrika only procures high quality products that also live up to all current environmental requirements and is therefore known in the market for only developing projects of the highest quality.

Through economies of scale and by having strong relationships to key suppliers it is still possible to keep costs at a minimum. Securing the required funding for a project in due course and on an affordable basis is another extremely important factor for a successful property developer. Our typical funding structure normally includes equity, debt and pre-sales.

Over the years Home Afrika has managed to improve its relationships with various financial players in the market spanning from commercial banks, potential equity investors and new commercial partnerships.

The company is cognizant that securing adequate funding in a timely manner has previously presented some challenges. It is for this reason that a central part of Home Afrika's Short to Medium Term Strategy "Home Afrika 2.0" is looking to on-board a new strategic investor with substantial financial capacity.

Home Afrika will additionally continue to seek new commercial partnerships as well as building its relationships with key financial institutions in order to further strengthen this area.

### Products/Projects Origination

Home Afrika has diversified in the following products/projects so as to expand its revenue base:

- Property sales  
*Own properties and 3rd party properties*
- Property development
- Short stay accommodation
- Land survey

This is within the goal of establishing itself as an all-round solution provider in the real estate industry.

### Marketing

Home Afrika uses various marketing strategies to reach its wide clientele base that includes corporates, diaspora, investment groups, businesses among other sectors of the economy. It does this via; social media marketing, corporate presentations, mall activations, sponsorships e.g. golf tournaments, diaspora engagements and out-door activities. Social media marketing has been a critical marketing platform amidst the Covid-19 pandemic. Virtual tours and social media posts have played an enormous role in showcasing our products in the market.

### Commercialization

This involves careful design, planning, permitting and engineering where the fully integrated model of Home Afrika again helps to ensure an efficient process. All processes are aligned through the continuous feedback loop that takes place and the execution risk is ultimately reduced.

Target clients' expected requirements are also included in the process to ensure that the commercial side is always aligned to the planning and designing of the project.

Monitoring new construction regulation on a continuous basis by carrying out a detailed advance study of the existing master plan also helps to improve the chance of receiving all necessary approvals in good time.

### Product Development

Product development involves the following; Due diligence & Structuring, Financial Modelling, Branding & Marketing, Value addition & infrastructure and Vendor and offtake financing.

## THE BUSINESS MODEL BREAKDOWN

CAPITAL	INPUTS	OUTCOMES	BUSINESS ACTIVITIES TO ENHANCE OUTCOMES	CHALLENGES	COMPETITIVE ADVANTAGE OF THIS CAPITAL
<b>HUMAN CAPITAL</b>					
<ul style="list-style-type: none"> <li>At Home Afrika Group, the expertise, wellbeing and motivation of employees, contractors and service providers are a key factors to generating value.</li> <li>We ensure provision of a safe working environment, and invest in training of our employees. We strictly observe of the MOH guidelines in regard to the Covid-19 situation to ensure safety of our employees.</li> <li>We further ensure fair labour practices.</li> </ul>	<ul style="list-style-type: none"> <li>49 skilled and motivated employees</li> <li>29 Casual workers</li> <li>An experienced and diverse Board guided by the company values</li> </ul>	<ul style="list-style-type: none"> <li>Kes 2.4m was invested in training of employees and general staff welfare</li> <li>46% of women in the workforce</li> </ul>	<ul style="list-style-type: none"> <li>The strength of our corporate culture, the appreciation based on meritocracy and the investments in our employees' professional development are some of the initiatives that add value over time.</li> <li>Home Afrika has developed a capable and engaged workforce while ensuring a clear succession plan for its staff</li> <li>We further ensure a safe workplace and promote the health and wellbeing of our employees. Employees are constantly updated on the Covid-19 pandemic and necessary trainings and safety precautions done.</li> <li>The Home Afrika Board provides leadership through responsible citizenship.</li> </ul>	<ul style="list-style-type: none"> <li>Cost of acquisition of competent staff and their retention implies relatively high cost</li> <li>Staff exits</li> <li>Lawsuits - with regards to the exiting staff</li> </ul>	<ul style="list-style-type: none"> <li>The diverse backgrounds and professional training of our staff at HAL ensure that we are a leader at the Real estate market.</li> <li>At Home Afrika, we are an equal opportunity employer without regard to race, national origin, religion, gender, age, sexual orientation, veteran status, physical or mental disability or other basis protected by law. While the Company is committed to following this principle in every facet of employment, all employees share in the responsibility to promote and foster a favorable work environment.</li> </ul>
<b>SOCIAL CAPITAL</b>					
<ul style="list-style-type: none"> <li>Developing and maintaining trusted relationships is a foundation for value creation. This has taken on added significance given the recent negative reviews on real estate firms. The challenging and competitive price environment has required us to take actions that have tested many of our relationships.</li> </ul>	<ul style="list-style-type: none"> <li>Positive relationship with our Customers.</li> <li>Shareholders summary page 88</li> <li>Positive supplier relationships</li> <li>Cooperation from government and regulators.</li> <li>Positive relationship With unionized and non-unionized workforce.</li> </ul>	<ul style="list-style-type: none"> <li>46% women in workforce.</li> <li>Amicable Project close out for Lango, Lakeview, Kikwetu &amp; Kantafu projects</li> <li>Delivery of social benefits to the community.</li> </ul>	<ul style="list-style-type: none"> <li>Timely communication with our stakeholders.</li> <li>Ensuring full compliance with all the regulators.</li> <li>Upholding highest social standards.</li> <li>Making a positive social contribution through our CSR Report page 81 - 82</li> </ul>		

CAPITAL	INPUTS	OUTCOMES	BUSINESS ACTIVITIES TO ENHANCE OUTCOMES	CHALLENGES	COMPETITIVE ADVANTAGE OF THIS CAPITAL
<b>NATURAL RESOURCES</b>					
Natural Capital	<ul style="list-style-type: none"> <li>We use borehole water for all our completed projects, Migaa and Morningside Office park.</li> <li>Solar usage in our residential properties. i.e. Mitiini</li> </ul>	<ul style="list-style-type: none"> <li>We have adopted a 50% green concept in Migaa, where for every 1 acre of build, we have 1 acre of green.</li> <li>Garbage recycling in Morningside Office park.</li> <li>Sewer Treatment plant at Migaa</li> </ul>	<ul style="list-style-type: none"> <li>Provide leadership through responsible citizenship.</li> <li>Conducting energy audits</li> </ul>	<ul style="list-style-type: none"> <li>Long term nature of the projects at HAL leading to unease with clientele</li> <li>Share price is dictated by market forces since Home Afrika is a publicly listed company, leading to share price fluctuations. As a result, the share value doesn't necessarily portray the book worth of the company.</li> <li>Not all clients are acceptable to the project close outs leading to lawsuits</li> <li>Stringent regulations from the government</li> </ul>	<ul style="list-style-type: none"> <li>At Home Afrika, the 1 acre of green for every one acre of build is a unique concept that's been incorporated at our Migaa project. It ensures that we conserve green space, and is one of a kind in Kenya</li> </ul>
<b>CAPITAL</b>					
<b>FINANCIAL CAPITAL</b>					
<ul style="list-style-type: none"> <li>Funding is derived from either debt or equity. This is utilized to implement our strategy of acquisition, development and management of high-quality property.</li> </ul>	<ul style="list-style-type: none"> <li>Kshs 154m Market capitalization as at Dec 2020</li> <li>Kshs 4.8m Utilized for capital expenditure</li> </ul>	<ul style="list-style-type: none"> <li>Dividends to be reinstated at the appropriate time</li> </ul>			
<b>INTELLECTUAL CAPITAL</b>					
<ol style="list-style-type: none"> <li>Intellectual Capital                             <ul style="list-style-type: none"> <li>The only listed Real Estate development company</li> <li>Our brand and reputation</li> <li>Static web and mobile inventory</li> </ul> </li> </ol>	<ul style="list-style-type: none"> <li>Rigorous projects department</li> <li>Surveying equipment.</li> <li>Internal Database management systems.</li> </ul>	<ul style="list-style-type: none"> <li>Survey equipment acquired.</li> <li>A qualified professional surveyor hired.</li> </ul>			

## BUSINESS ENVIRONMENT AND OPERATING CONTEXT

The year 2021 was a recovery year for businesses after the restrictions that had been put in place due to the COVID-19 pandemic were eased and the country was opened up. This saw most sectors, including the real estate sector, begin to improve. Several key factors influenced the context within which the company operated. These factors are as follows:

- a. Improved consumer spending
- b. Increased prices for property
- c. Increased demand for land/plots

### Improved consumer spending

Lifting of the COVID-19 restrictions that had been put in place in 2020 was done to a very significant extent in 2021, most notably, on 20th October 2021, the nationwide curfew was vacated.

This meant that most businesses could resume normal operations which led to the re-hiring of previously laid off employees and even the restoration of pay to initial levels. The resumed/increased income led to the revisiting of previously shelved plans to purchase assets, including real estate property, which led to an increase in enquiries for real estate property and subsequent purchase.

#### *Strategic Response*

The Home Afrika Group benefited from this general recovery in the economy - the group not only got better prices for its inventory compared to 2020 but also could collect outstanding sums much easier. In response, the Group increased its inventory, offered competitive payment plans and undertook as many sales & marketing activities as was possible so as to interact with and inform the market what was available.

### Increased prices for property

The relaxing of restrictions renewed confidence in the recovery of the economy as the various sectors revived which saw buyers who had slowed down on their acquisition of property in 2020 due to the COVID-19 pandemic renew their interest in 2021. This renewed interest led to an increase in demand for property which led to an increase in property prices.

Data by Hass Consult in their Q4 2021 property & land indexes showed that certain property & land prices increased in 2021 with certain types of properties and land locations getting really good returns as a result.

#### *Strategic Response*

The Home Afrika Group also benefited from this increased demand and subsequent price increase for property and land – the price of land at Migaa reverted to pre-pandemic rates.

The smart plots inventory (the affordable plots inventory) also had increased activity and interest and subsequently increased sales. In response, the company ensured that it aggressively communicated to the market what inventory was available in the different parts of the country so as to avail even more options to the prospective buyers.

### Increased demand for land/plots

The COVID-19 pandemic led to people desiring to own homes – the changes in incomes for households, the uncertainty about the future and the requirement to stay at home due to the pandemic made most people want to own their own homes, customized homes that would suit their family size & lifestyle and at the same time, have the mental peace of not having a Landlord knocking on their doors every month. This desire to own customized homes led to an increase in demand and interest to own plots in 2021.

#### *Strategic Response*

By the Home Afrika Group having plots that suit different customers' tastes and preferences, greatly benefited from this increased demand for plots/land.

The Migaa inventory suitably catered for the customer seeking a high end, golf estate type of lifestyle and the smart plots inventory suited the customer seeking an affordable way to build their own home. The Group therefore aggressively marketed its inventory and greatly interacted with the market so as to inform them of the options that were available to them.

The company further ensured that the home ownership dream was made more realizable by offering competitive payment plans.

# STAKEHOLDERS ENGAGEMENT



## KEY STAKEHOLDER CONCERNS/EXPECTATIONS & THE COMPANY'S RESPONSE

STAKEHOLDER	CONCERN(S) / EXPECTATIONS	COMPANY RESPONSE	METHOD OF STAKEHOLDER ENGAGEMENT	LINK TO ETHICS & VALUES
<b>Employee (All levels)</b>	<ul style="list-style-type: none"> <li>Job security</li> <li>Career growth</li> <li>Competitive Remuneration</li> <li>Employee welfare &amp; safety</li> </ul>	<ul style="list-style-type: none"> <li>Recognition for good performance</li> <li>Staff needs forecasting &amp; regular recruitment</li> <li>Departmental budgeting done by Dept. members</li> <li>Incentives</li> <li>Performance Improvement Program (PIP)</li> <li>Competitive remuneration</li> <li>Recognition for good performance</li> <li>Consultative decision-making platform</li> </ul>	<ul style="list-style-type: none"> <li>Virtual meetings</li> <li>One-on-one Interviews</li> <li>Staff Meetings</li> <li>Email &amp; phone communication</li> </ul>	<ul style="list-style-type: none"> <li>There is a HR Policy and a Staff Code of Conduct &amp; Ethics.</li> <li>Performance Appraisals are carried out regularly.</li> <li>A culture of ownership &amp; accountability guided by a bottom-to-top approach in setting Targets &amp; KPIs.</li> </ul>
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>ROI</li> <li>Maximization of the value of investment</li> </ul>	<ul style="list-style-type: none"> <li>Company restructuring (management &amp; board) to improve productivity and efficiency</li> <li>Wider product portfolio</li> <li>Creation of liquidity</li> <li>Providing platforms to facilitate the addressing of concerns &amp; questions from shareholders promptly (MD also involved in this)</li> <li>Fund-raising to complete projects and free up profits to pay dividends</li> </ul>	<ul style="list-style-type: none"> <li>AGM Meetings</li> <li>Special Meetings</li> <li>Online platforms</li> <li>Email &amp; Phone communication</li> <li>Mass media</li> </ul>	<ul style="list-style-type: none"> <li>Platforms to engage were provided - held the 2nd virtual AGM in 2021.</li> <li>The company product portfolio was widened – the company onboarded additional inventory in Machakos county &amp; Naivasha, Nakuru county.</li> </ul>
<b>Suppliers/ Creditors</b>	<ul style="list-style-type: none"> <li>Provide a market</li> <li>Payment for raw materials, products and services</li> </ul>	<ul style="list-style-type: none"> <li>Scheduled payment of suppliers</li> <li>Reasonable credit terms to ensure they are paid as expected</li> <li>Giving repeat business</li> <li>Penalties that are applicable (if any) are also stipulated</li> <li>Room provided for renegotiation of terms</li> </ul>	<ul style="list-style-type: none"> <li>Virtual meetings</li> <li>One-on-one Meetings</li> <li>Email &amp; Phone communication</li> <li>Mass media</li> </ul>	<ul style="list-style-type: none"> <li>A Pre-qualification of Suppliers – the prequalification of suppliers' process was undertaken in 2021.</li> <li>3-bid analyses during the procurement process are always undertaken to ensure that the company gets the best suppliers and gives repeat business to the suppliers.</li> </ul>
<b>Society/ Community</b>	<ul style="list-style-type: none"> <li>Operate as a responsible corporate citizen</li> <li>Contribution in the area/community the company operates in</li> </ul>	<ul style="list-style-type: none"> <li>Ensure compliance with NEMA regulations</li> <li>Provide employment opportunities</li> <li>Value of property has appreciated</li> <li>Improved infrastructure in conjunction with the county government – road fixing from Kiambu Road to Migaa, street lights up to Kiambu road</li> <li>Improved security in conjunction with the National Government – police post was set up because of the existence of the Migaa project</li> </ul>	<ul style="list-style-type: none"> <li>One-on-one Meetings</li> <li>Email &amp; Phone communication</li> <li>Mass media</li> </ul>	<ul style="list-style-type: none"> <li>CSR activities were undertaken – a visit to a Children's Home near Migaa was made and donations given.</li> <li>Casual employees at our Migaa Project are drawn from the immediate community.</li> </ul>

## KEY STAKEHOLDER CONCERNS/EXPECTATIONS & THE COMPANY'S RESPONSE (CONTINUED)

STAKEHOLDER	CONCERN(S) / EXPECTATIONS	COMPANY RESPONSE	METHOD OF STAKEHOLDER ENGAGEMENT	LINK TO ETHICS & VALUES
<b>Governments</b>	<ul style="list-style-type: none"> <li>• Tax compliance</li> <li>• Compliance to existing laws – land laws, company laws</li> <li>• Contribution to economic growth through job creation</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure up-to-date remittance &amp; payment of tax</li> <li>• Restructuring &amp; prompt payment outstanding back taxes</li> <li>• Compliance with all relevant laws &amp; standards</li> <li>• Provide employment</li> </ul>	<ul style="list-style-type: none"> <li>• One-on-one Meetings</li> <li>• Email &amp; Phone communication</li> <li>• Round Table discussions</li> </ul>	<ul style="list-style-type: none"> <li>• The company is regulated by the CMA &amp; the NSE and is committed to complying with these regulators' requirements by ensuring that there is proper corporate governance and compliance with all the requirements of being a listed company</li> <li>• Payments to KRA were remitted.</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Quality and innovative products that meet their needs</li> </ul>	<ul style="list-style-type: none"> <li>• Individualized attention by the sales team members who guide the customer through the entire purchase process and provide project &amp; document processing updates</li> <li>• In-house Legal Department to tasked with direct processing of property ownership documents so as to improve speed of processing the documents</li> <li>• Seeking &amp; acting on customer feedback</li> <li>• Prompt issuance of statements to customers</li> </ul>	<ul style="list-style-type: none"> <li>• Virtual meetings</li> <li>• One-on-one Meetings</li> <li>• Email &amp; Phone communication</li> <li>• Mass media</li> <li>• Social Media</li> </ul>	<ul style="list-style-type: none"> <li>• Social Media platforms are active and prompt in responding to customer issues be it feedback, questions or complaints.</li> <li>• Home Afrika has a comprehensive CRM from customers is stored making engagement with customers better and informed.</li> <li>• The customer feedback forms that potential &amp; existing customers fill out are analyzed and actioned accordingly.</li> </ul>
<b>Financiers</b>	<ul style="list-style-type: none"> <li>• Not to exposed to undue risk</li> <li>• Company meets all its financial obligations</li> </ul>	<ul style="list-style-type: none"> <li>• Commitment to paying off all the loans through prompt payment and restructuring</li> </ul>	<ul style="list-style-type: none"> <li>• Round table meetings</li> <li>• Email and phone communication</li> </ul>	<ul style="list-style-type: none"> <li>• The company purposes to meet all its financial obligations by repaying its debts and engaging its financiers when necessary.</li> </ul>

## MATERIAL RISKS AND OPPORTUNITIES

Material risks are the factors that have the most impact on our ability to create long-term value. They have an impact on our productivity, performance and relationships with our stakeholders. These matters influence the strategic approach adopted in steering the group.

The Home Afrika Board has wholly committed the group to a process of risk management that is aligned to the principles of best practice and corporate governance. Proper risk assessment enables us to anticipate and respond to changes

is the business environment as well as make informed decisions under conditions of uncertainties.

Home Afrika risk management processes are embedded in our everyday business activities and culture. For us, risk management involves achieving an appropriate balance between realizing opportunities for business gain while minimizing the adverse impacts of these risks.

	CAPITAL STABILITY	GOVERNMENT POLICIES	OPERATING ENVIRONMENT	PEOPLE
<b>MATERIAL MATTERS</b>	<ul style="list-style-type: none"> <li>Adequate capitalization and need for low cost financing partners.</li> <li>Liquidity &amp; Revenue Growth</li> <li>Project Completion &amp; Profitability</li> </ul>	<ul style="list-style-type: none"> <li>Government policies on affordable housing</li> <li>Government policies on Physical planning policies</li> </ul>	<ul style="list-style-type: none"> <li>Challenging Macroeconomic and microeconomic Environments.</li> <li>Evolving regulatory Landscape</li> </ul>	Talent nurturing, management and retention
<b>RISKS</b>	<ul style="list-style-type: none"> <li>Project delays</li> <li>Reputational issues</li> <li>Litigation Risks</li> <li>Market risk</li> </ul>	<ul style="list-style-type: none"> <li>Key players moving towards the affordable housing space</li> <li>Risk of investments declining in value due to Government affordable housing project.</li> </ul>	The macroeconomic environment, characterized by increase in construction costs, slowdown in credit expansion, political uncertainty creates great business risks.	The effective execution of strategy is adversely affected by the failure to attract and retain talent.
<b>OPPORTUNITIES</b>	<p>With the return of free-floating interest rates from banks, Home Afrika has the opportunity to get local bank financial partners who are willing to partner in infrastructure projects.</p> <p>Recent enforcement of the clean energy rules that require all large scale domestic housing units install renewable energy for water and house heating may have a significant cost effect on future projects by Home Afrika.</p>	<p>The government policy to deliver decent housing to working Kenyans is in line with HAL's business strategy.</p> <p>The supply of equitable housing will in turn increase new consumers/a new market in moderate - income households.</p> <p>The affordable housing policy will lead to decrease in manufacturing cost related to the real estate sector thus creating an opportunity to increase the overall output of the company.</p>	Political tension played a vital role in discouraging investment in real estate especially postponing of property -purchase decisions due to the uncertainty of election results, with political stability post the general elections this provides a great opportunity for credit advancement more so for households relying on the credit market towards home acquisition.	<p>Talented employees are a great tool in responding to changes in our operating environment mentioned.</p> <p>Management of performance to ensure optimal productivity is essential.</p>

### Other Risks

Risk means the quantifiable likelihood of loss or less than expected returns.

Risk management is the process of identifying, monitoring and managing potential risks in order to minimize the negative impact they may have on an organization.

### Risk Management Process

Risk Management is the logical and systematic process of identifying assessing, managing and reporting all risks associated with the Company’s business activities to minimize losses and maximize opportunities to pursue strategic goals. The Risk Management Process outlines a standardised

approach to the identification, analysis, evaluation, treatment, communication and monitoring of risk. All services will use this standardized approach and record the outcome in a series of Risk Registers. The Risk Registers will be collated at key organisational levels allowing for risks to be managed at the most appropriate level in the organisation i.e risk that falls outside the control of a line manager may be escalated to the appropriate level of management.

It is essential that action plans for the risks contained in the Risk Register are identified and an action person assigned. These Risk Registers must be under active consideration and be the subject of regular review.





## Strategic Risks

These are risks that can prevent the group from achieving its business objectives and goals. They arise from improper implementation of a company's strategy and thereby deviating from it. The purpose of assessing strategic risks and opportunities is to identify the business operations which can be deployed to attain the objectives taking into account manageable risks, and also avoiding those business operations which involve unreasonably high risks. In addition, management of strategic risks facilitates the company's ability sustainably manage its personnel through the assurance that individual responsibilities are aligned with the overall company strategy and business objectives.

## Financial Risks

These are risks that arise from gaps in budgeting, funding and revenue management.

Exposure on any of these fronts would affect the company's ability to manage its financial obligations. Budgeting exposure would manifest itself in the form of expenditures that are beyond the approved budget or expenditures that are incurred with no consideration to the budget lines.

Funding risks would manifest in the company's inability to meet its financial obligations to service providers and creditors whose extreme consequence would be attachment of company assets or insolvency proceedings. Revenue risk exposure are those risks that the company faces when its income streams are disproportionate to the capital investment thereby creating loss making ventures.

## Legal & Regulatory Risks

Regulatory risks are exposures that arise from the company's failure to comply with regulatory requirements. They are annual and mandatory and therefore failing to comply may put the company's listed status in jeopardy. Legal risks are those that arise from civil litigation suits and public disputes regarding ethics, environments degradation or destruction, fraud, labor relations or any criminal proceeding against the company. Legal risks increase financial and reputational risk exposure and disclosures must be made as frequently as they occur .

## Reputational Risks

Risk of loss resulting from damage to the group's reputation, in lost revenue, increased operating costs or destruction of shareholders' value, consequent to an adverse event. Adverse events typically associated with reputation risk include ethics, safety, security, sustainability and quality of products sold.

## Operational Risks And Management Risks

These are risks resulting from weaknesses in internal control processes, people, inadequacies in system and processes, human error, fraud, criminal acts or failures , legal issues, ICT breaches and physical or environmental processes through which the group operates. The aim is to avoid or reduce operational risks, taking into consideration the cost of controls measures in relation to the scope of risk.

## Emerging Risks



### Innovation Risk

Due to the changing business environment, Innovation presents challenges to companies that strategize to gain more market share or to stimulate growth. As the industry grows, there is need to seek to improve our innovativeness as well as aligning to the changing trends. The business environment is not static. As a means to mitigate this risk, we plan to use research, including 3rd party research, to actively be able to cope with the changing environment in the industry.

### Debtors Management

This is an emerging risk driven by economic status and liquidity challenges. It is also driven by the effects of our internal credit capping and the economic situation of the country . We have worked to mitigate this by implementing a strict credit policy with credit capping.

### Third Party Risks

Third parties always exist in any business undertaking. Third parties form part of the company's stakeholders. In the course of our business dealings with third parties, we are exposed

to certain risks for example supplier business failure. As a mitigation, supplier due diligence is done through extensive vetting by the company before any dealings with such third parties and we have a tendering process already in place.

### Staff Turnover

Staff turnover has been witnessed during the year in various departments. However, turnover was within normal standards as well as within the company's tolerance limits. We have put in place measures to reduce turnover by improving employee satisfaction, reward policy as discussed in the Human capital report.

### Cyber Security Risk

As Technology advances, cyber security is projected as an emerging high risk. Due to the advancements, criminality will not stop. To mitigate the risk, the company has put control measures in place. This include access controls, anti viruses, and are working to acquire other measures.

**“ Change is the  
heartbeat of growth.”**

*~ Scottie Somers*



## STRATEGIC OBJECTIVES

### STRATEGIC OBJECTIVE 1 LAND



#### STRATEGIC OBJECTIVE

Acquire land with the following objectives :

##### INITIATIVE

- Joint ventures
- Government Partnerships (PPP)
- Seed financing

##### KEY PERFORMANCE INDICATORS

- Joint Ventures: Developing strategic partnerships and rollout JV partnerships and 3rd party property.
- Land banking; Acquired 12 acres of land in the year 2021.
- Originated & signed 3 smart plots projects in the year 2021.

Detailed report on page 44 - 55

### STRATEGIC OBJECTIVE 2 EXPANSION



#### STRATEGIC OBJECTIVE

To grow sales & revenue

##### INITIATIVE

- Go county plan
- Corporate Rebranding
- Diversification of products
- Adjust to the Covid 19 pandemic business environment

##### KEY PERFORMANCE INDICATORS

- Project Origination: Undertake 2 internal staff trainings per quarter for originations
- Property letting and management
- Go county plan
- Develop a pipeline of 14 properties for management for the year 2021.

### STRATEGIC OBJECTIVE 3 INNOVATION AND TECHNOLOGY



#### STRATEGIC OBJECTIVE

Reduce cost of construction through technology

##### INITIATIVE

- Appropriate technology
- Research & Development
- ERP System
- Partnerships with educational institutions

##### KEY PERFORMANCE INDICATORS

- Data center
- IT Infrastructure & Upgrades
- Support remote working due to Covid 19
- Innovation
- Customer Experience
- Reporting

Detailed report on page 67 - 72

### STRATEGIC OBJECTIVE 4 SERVICE EXCELLENCE



#### STRATEGIC OBJECTIVE

World class real estate service.

##### INITIATIVE

- Establishment of quality standards framework.
- Benchmark against best practice.
- Planning and quality assurance
- Customer relationship Management (CRM) tool.

##### KEY PERFORMANCE INDICATORS

- Customer Satisfaction
- Net Promoter Score
- Fast Response Time
- Customer Retention Rate
- Service & Quality
- Employee Engagement

## STRATEGIC OBJECTIVE 5 HUMAN CAPITAL



### STRATEGIC OBJECTIVE

Identify, nurture and grow human capital that will increase Home Afrika value.

#### INITIATIVE

- Talent acquisition and retention
- Performance management
- Organizational structure
- Succession Planning
- Creating the right business culture
- Onboarding
- Compensation

#### KEY PERFORMANCE INDICATORS

- Recruitment
- HR Administration
- Performance Management
- CSR
- Training and Development
- Adhering to COVID 19 MoH guidelines

Detailed report on page 73 - 76

## STRATEGIC OBJECTIVE 6 FINANCIAL STRENGTH



### STRATEGIC OBJECTIVE

Increase Home Afrika's financial stability.

#### INITIATIVE

- Source of finance
- Cost of financing
- ROI
- Development of buyer financing model.
- Development of project financing model.

#### KEY PERFORMANCE INDICATORS

- Home Afrika diversified their source of finance by fundraising, property management etc.
- Carrying out due diligence on potential investors before engaging them.
- Having payment plans with our buyers.
- Cost of financing: Currently the group is servicing bank loans and the bond.
- Return on investments: The company employs a framework to determine return on investments on all the projects it undertakes that gives a return on investment of 25%.

Detailed report on page 97

## STRATEGIC OBJECTIVE 7 PARTNERSHIPS



### STRATEGIC OBJECTIVE

Revenue generation

#### INITIATIVE

- Outsourcing of processes
- Strategic partnerships
- Business model partnership

#### KEY PERFORMANCE INDICATORS

- Diversified income streams
- Increase digital engagement and achieve the target leads through creating innovation content
- Excite the market through innovation and non-conventional marketing and communication material that appeals to the target
- To engage with various institutions (banks, SACCOs, Diaspora associations, membership clubs, travel agencies etc) to build brand awareness and excite the market through innovative and non-conventional offline and online activities
- Excite the market through innovation and non-conventional marketing and communication material that appeals to the target.
- Build Thought leadership and brand awareness through extensive PR activities

## STRATEGIC OBJECTIVE 8 MARKETING



### STRATEGIC OBJECTIVE

Increased stakeholder engagement

#### INITIATIVE

- Websites partnerships
- Branding & signage
- Selling materials
- Direct mail campaign
- Electronic mail campaign
- Ad placement & media buying
- Public relations
- Networking
- Periodic reporting
- Research
- Loyalty programmes

#### KEY PERFORMANCE INDICATORS

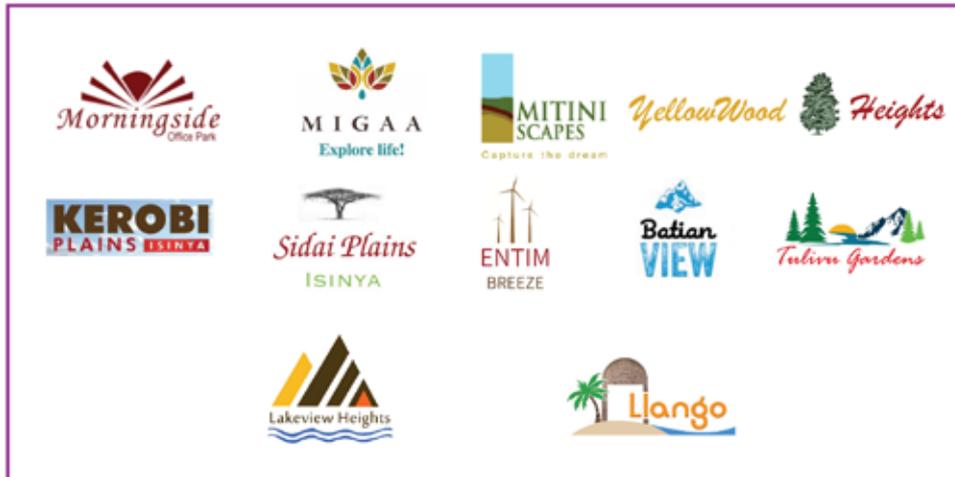
- Increase digital engagement and achieve the target leads through creating innovation content
- Excite the market through innovation and non-conventional marketing and communication material that appeals to the target
- To engage with various institutions (banks, SACCOs, Diaspora associations, membership clubs, travel agencies etc) to build brand awareness and excite the market through innovative and non-conventional offline and online activities
- Excite the market through innovation and non-conventional marketing and communication material that appeals to the target.
- Build Thought leadership and brand awareness through extensive PR activities

Detailed report on page 58 - 66

## PROJECT REPORT

We began our year on a low note as a result of the covid 19 Pandemic and different levels of measures the Government put in place, not limited to Lockdowns, cessations of Movements etc. This limited a number of activities to engage in, never the

less we adapted to the situation and ensured we carry on with the activities. In terms of projects, we were able to successfully on board several projects and some were sold out.



### Morningside Office Park

Morningside Office Park was one of its kind projects undertaken by Home Afrika, Distinguished icon along Ngong Road, the project now referred to us the landmark building in the vicinity. The building Houses our Head Quarter on the fifth floor the project is generally Aaccessible by the general public through Ngong road and Kilimani road at the back. It comprises 36 office

suites, 200No. Two level Parking spaces at the basement and Lower Ground floor, roof top garden and conference facilities. The project was completed within limits of budget, timeframe and on scope. Morningside office park is fully occupied.



## 1. MIGAA GOLF ESTATE

Migaa is a mixed-use development integrated with an 18-hole golf course gated community planned on 774 acres of land in Kiambu, North of Nairobi 20kms from Nairobi's Central Business District, within Kiambu County, and it is just 10 km from the Northern by-pass. The project is Developed through a special purpose vehicle (SPV) Home Afrika Communities Limited which owns 60% Home Afrika Limited is responsible for the project development.

We envision to set out a self-depended Estate comprising of super amazing communities within the Golf estate, with the Green economy concept comprising a 50% build up are and 50% Green, inculcating the spirit of naturality around the communities.

Each community is uniquely designed with an amazing facade for excellence, owing it to the diversity of each community and its inhabitants its inevitable to identify majestic innovations in design.

### *Community in Migaa*

- Mitini Scapes
- Yellow Wood
- Elgon Olive
- Water front
- Billionnaires Conner
- Accia
- Center piece
- Moru Ridge
- Mugumo
- Club House
- Golf front
- Uhora Hospital



*Mitini Scapes*



*Gold Course*

***i. Perimeter Wall***

Migaa perimeter is done using masonry with climbing plants to give a natural feel as one walks or drives along.

***ii. Roads Construction***

Phase 1 of the Road works have the paving done to 49% with the hardcore at 96%. The road works are projected to be completed in 2022.

***iii. Sewer Reticulation and Treatment***

The sewer treatment plant is operational with no hitches since commissioning. It is currently serving Mitini Scapes Development.

***iv. ICT & MATV***

Migaa is served by fibre internet connectivity with high speeds from a dedicated line from Orange Telkom. Mitini Scapes development is internet ready. Over and above the internet connection it also has multiple access television installed.

***v. Water Feature***

***vi. Street Lighting***



**vii. Home Owners Construction**



*Home Owners residence*

**viii. 2022 Work Plan**

The following infrastructure components are scheduled for execution in 2022 :-

- a) The spine road construction to be done upto 100%.
- b) The front nine golf course construction to be done upto 100%.
- c) Irrigation system installation for entire golf course
- d) Power reticulation
- e) Commencement of sports facilities construction

## 2. MUZURA PLOTS

Enjoy this INCREDIBLE deal located in Kiambu county. Get yourself a plot from Ksh. 5,500,000.

The project has many features that give you an undeniable reason to invest in Muzura- Kiambu . They are:

- 30 mins drive from Nairobi town CBD.
- 18-hole golf course
- Electric perimeter fence.
- Well graded access roads.
- Secure and friendly neighborhood.
- All social amenities available; Schools, Churches, hospitals and security.

**To Book : Call/WhatsApp 0794 898 635**

**The project located in Migaa Community is ongoing Sales**

**Live the life of your dream**  
in Migaa Golf Estate  
**Muzura Plots**

**1/8<sup>th</sup> Acre Plots From Kshs 5,000,000 Cash**

For more details:  
**0706 669 706**

Home Afrika Ltd | home afrika | @HomeAfrika | HOME AFRIKA

## 3. LAKEVIEW HEIGHTS

This project is located at Riat Hills, west of Kisumu County, approximately 12 minutes from Kisumu CBD with spectacular views of Lake Victoria, Kisumu International Airport and Kisumu City. Selling 1/8 Acre from Ksh 800,000

**LAKEVIEW HEIGHTS**  
RIAT HILLS KISUMU

Lakeview Heights  
**TWENDE SITE VISIT**  
SATURDAY 23<sup>rd</sup> OCTOBER 2021

**1/4 ACRE PLOTS**  
OFFER FROM  
**KSHS. 1.2M**

READY TITLES

Home Afrika Ltd | home afrika | @HomeAfrika | HOME AFRIKA

## 4. LLANGO

Llango project like Lakeview Heights Development, a stakeholders meeting was held and a different resolution was reached.

The stakeholders resolved that we (Home Afrika Limited) complete the change of use of the title and preparation of subleases with both the land owners and the shareholders retaining the entire property as Home Afrika Limited exits from the project.

**Llango**

**1/4 Acre Plots**

**Cash Price**  
**Ksh. 2,000,000**

**90% Sold**

**0706 669 706**

Home Afrika Ltd | home\_afrika | @HomeAfrika

HOME AFRIKA

The advertisement features a background image of a tropical beach with turquoise water and a large piece of driftwood. It includes a logo for 'Llango' with a palm tree and archway. Three circular inset images show: 1) a fenced-in plot of land, 2) a plot with a stone marker, and 3) a close-up of a white marker with 'BT 81' written on it. The text highlights '1/4 Acre Plots' at a 'Cash Price' of 'Ksh. 2,000,000' and that '90%' are 'Sold'. Contact information includes the phone number '0706 669 706' and social media handles for Facebook, Instagram, and Twitter.

## SMART PLOTS BUSINESS

To provide more affordable solutions in the market, we lined up several properties to be subdivided and sold out in a Joint venture arrangement with the land owners. We subdivided the plots into eighths, quarters, half acres and Acres.

### Kerobi Plains

Located in Isinya, Kajiado County, approximately 20 km from Isinya Town, the property is served with proper road network easily accessible from the Greater Southern by-pass road and it is about 5 km from the Standard Gauge Railway line. It is also 10 kms from Konza Techno City.

The property can also be accessed through Mombasa Road 15 kms away, the project is undertaken in partnership with the vendors of the land.

### Sidai Plains

Sidai Plains is a 7 Acre property situated in Isinya, Kajiado County. Approximately 16 kms from Isinya Town. The property is served with proper road network easily accessible from the Greater Southern by pass and it is about 10 kms from the Standard Gauge Railway line.

*The project was successfully sold out.*

### Enteem Breeze

These beautiful and affordable 1/8-acre plots located in kimuka area of Ngong Kajiado County. Entim Breeze is located 25 minutes' drive from Ngong Town and 3km off the Ngong-Kibiko Suswa Road (Greater Southern Bypass) and near the Nairobi Malaba SGR and 10 KM from Kimuka Shopping Center. Works on the Nairobi-Malaba SGR link and on the greater Southern Bypass (both located in Kibiko area right next to Kimuka) have commenced in earnest.

This property avails proximity to Ngong town which avails supermarkets, banks, schools and hospitals to the property owner. The road from Ngong Town to Entim Breeze is majorly tarmacked and partly murrum making access to the property easy regardless of weather. Amenities include: Olosho Olbor Dispensary, Kajiado West Technical Institute and Kibiko Primary School.

### Tulivu 1 & 2

Last year we signed our maiden project in Naivasha which comprised of 52 plots for Tulivu 1, & 51 plots for Tulivu 2. These projects were some of the most successfully done projects being sold out in a record of one month for each.

Tulivu Gardens are located in Kinungi Naivasha, 7-minutes from Nakuru Highway (A104), 19-minutes from Naivasha Town.

*Sold Out.*

#housesbecomehomes

ENTIM BREEZE  
Ngong

1/8<sup>th</sup> ACRE PLOTS  
**FOR SALE**

**KSHS. 350,000**

0706 669 706

Home Afrika Ltd | home afrika | @HomeAfrika | HOME AFRIKA

Tulivu Gardens

1/8 ACRE PLOTS  
CASH  
@ KSH 400,000  
@ KSH 430,000  
With 6 months  
payment  
plan

**TULIVU GARDENS  
PHASE 3**

**OPEN DAY**  
5th March 2022

+254 706 669 706 | WWW.HOMEAFRIKA.COM | HOMEAFRIKA | HOMEAFRIKA LTD

**BATIAN VIEW  
NANYUKI**

1/8<sup>th</sup> Acre Plots

**FREE SITE VISIT**  
30<sup>th</sup> OCTOBER 2021

**CASH OFFER**  
**250,000**

To Book;  
Call/SMS: 0706 669 706

Home Afrika Ltd | home\_afrika | @HomeAfrika | HOME AFRIKA

**Joska Plains** #housesbecomehome

**1/8<sup>th</sup> Acre Plots** **From Ksh 400,000**

Book with just a 10% Deposit & enjoy a flexible payment plan.

To Book;  
Call/SMS; 0706 669 706

Home Afrika Ltd | home\_afrika | @HomeAfrika | HOME AFRIKA

**HOME AFRIKA**

**For Sale -**  
From kshs.8,000,000

**To Let - Kshs. 35,000**  
Per Month

**Mitini Scapes**  
in Migaa Golf Estate

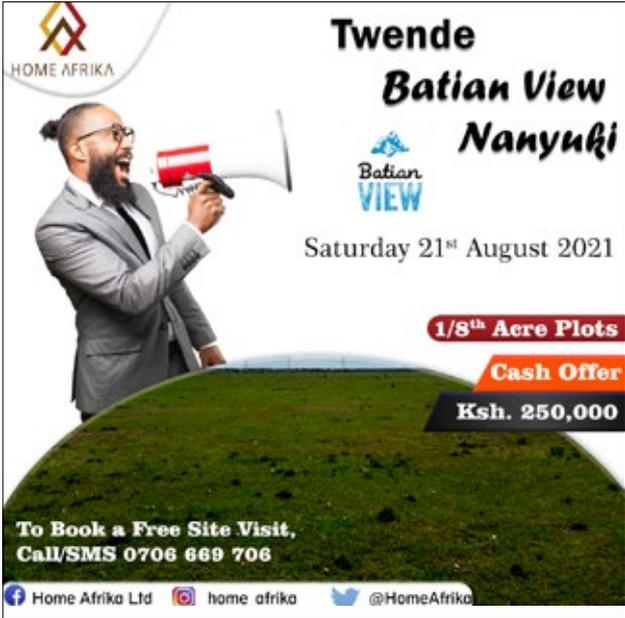
**Spacious 1 Bedroom Apartment**  
**For Sale & To Let**

- Open Plan Kitchen
- Paved Driveway & Parking
- Modern Interior Finishes
- Scenic view
- Ample Water
- Security

More information call us **0706 669 706** **BOOK NOW** [www.homeafrika.com](http://www.homeafrika.com)

**Batian View**

The Project was opened at the beginning of the year and since it has picked up good momentum, we managed to push 70% of the project. This was a 30 Acre project located 15 minutes from Nanyuki Town, opposite Olpajeta Gate B.



**AFFORDABLE HOUSING SPACE**

We have partnered with like-minded institutions to drive this pillar, by Home Afrika, offering land and welcome developers to bid and develop the land.



# PROPOSED PROJECTS – 2022

Based on our research and on feedback from clients, we shall focus on onboarding projects in the following areas :

- Kangundo Road - Joska, Malaa, Koma Hill
- Thika Road - Juja Farm
- 3rd project in Kinungi, Naivasha
- Konza

## SURVEY DEPARTMENT

### Introduction

In the year 2021, the department performed exemplary well in the following areas:

- Project planning
- Project Implementation
- Creativity and innovation

### I. Project Planning

Project planning being an important stage in the entire project life cycle, the survey department was able to deliver on this particular area effectively. Through staff equipped with technical knowledge and skills, the department planned for three key projects: Lango, Lakeview Heights and Komarocks.

The whole process of planning involved field data acquisition of parcel details using Global Positioning Systems (GPS) and Total station, data cleaning and plotting in AutoCAD civil 3D to generate plans.

### II. Project Implementation

In 2021, the department implemented four major projects successfully. The key steps involved in the process include running a traverse and performing adjustment computation to establish controls to be occupied for staking out procedure, data extraction from the final plan approved by the HAL management team, staking out of data, performing consistency checks on the staked out points and beaconing.

The implemented projects are Muzura plots, Lakeview Heights-Phase 2, Joska Plains and Tulivu 3. Planning and implementation of projects directly through departmental staff saved the company a lot of money initially paid to the service providers.



*Muzura Plots*



*Lakeview heights*



Joska Plains



Tulivu 3

### III. Creativity and Innovation

The department invented better ways of representing the inventories, therefore, making them easier for clients to understand as compared to the convention excel way of representation. The use of different color codes to represent sold and available plots is not only captivating but also a better way of visualizing the entire project and identifying plots of interest. Importantly, through a web map, the department

was able to render the inventories in both web and mobile platforms with the assistance of the IT department. The above effort assisted the relationship managers to have a better understanding of various HAL projects with regards to the exact location on the ground and understanding the landmarks around the projects.



Migaa project

A pipette is positioned vertically on the left side of the page, with its tip pointing downwards. In the foreground, a stack of several white surgical masks is visible, resting on a wooden surface. The background is a warm, golden-brown color, possibly a wooden wall or paneling.

## Effects of Covid 19 to Projects

### *Key activities affected*

1. Curtailed movement out of the Metropolis affecting scouting out of new projects
2. Hampered physical prospecting to new developments
3. Origination of properties outside Nairobi on halt due to movement control
4. Vendor meetings hampered as some vendors can't attend to virtual meetings

### *Mitigation Measures*

1. Reduced Number of staff attending site visits to Committees
  2. Virtual Prospecting on current Developments
  3. Halted origination outside Nairobi Metropolitan
  4. Using online / Virtual Meetings
-

## MARKETING REPORT

### 2021 Marketing KPIs

- Increase digital engagement and achieve the target leads through creating innovation content
- Excite the market through innovation and non-conventional marketing and communication material that appeals to the target
- To engage with various institutions (banks, SACCOs, Diaspora associations, membership clubs, travel agencies etc) to build brand awareness and excite the market through innovative and non-conventional offline and online activities
- Build Thought leadership and brand awareness through extensive PR activities

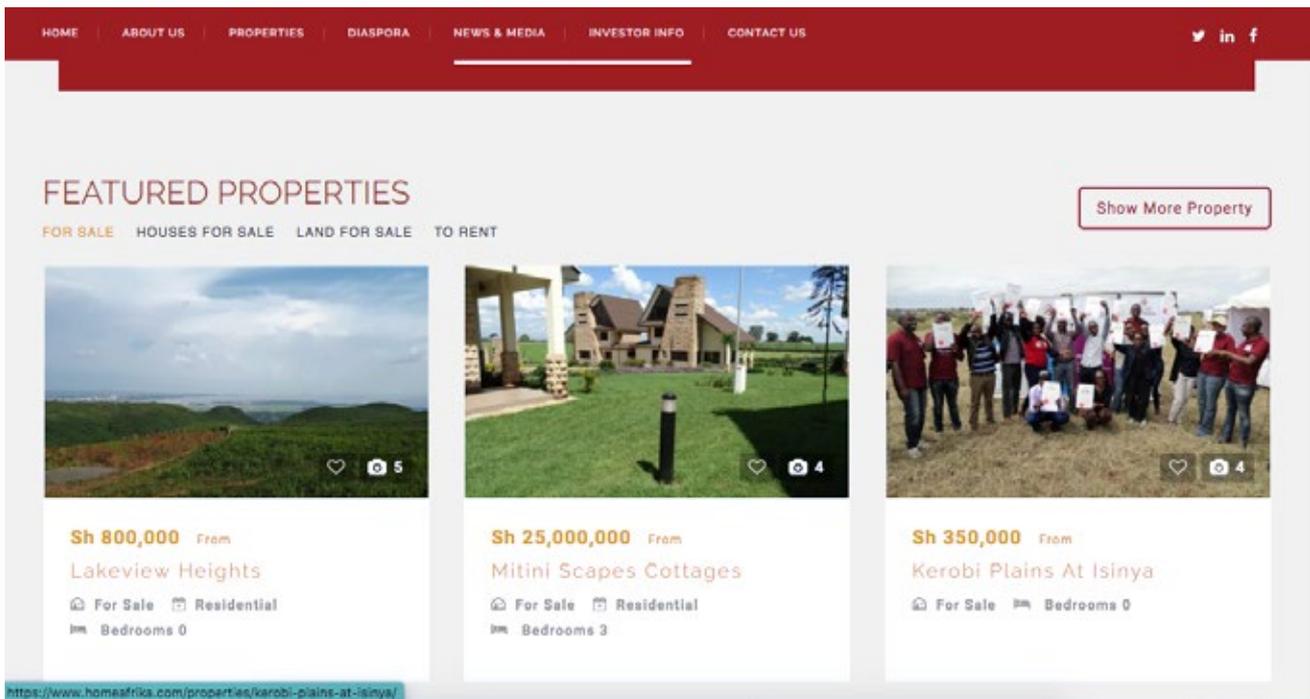
### Website

The previous website had several challenges that impeded stakeholder engagement such as :

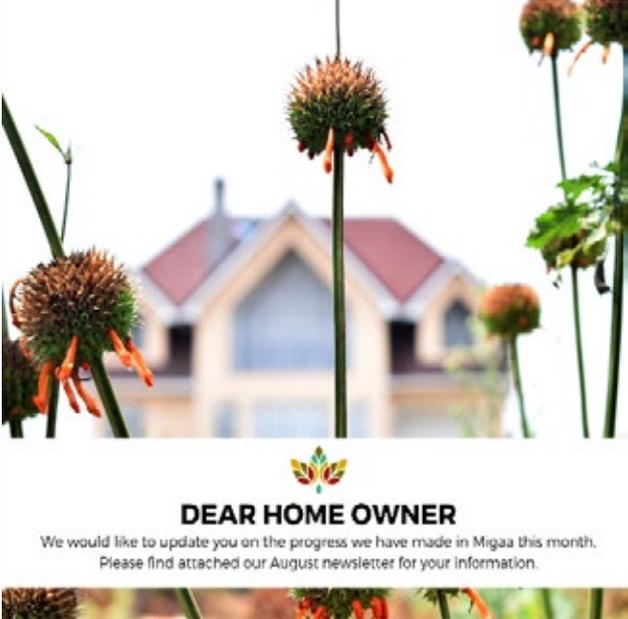
- Slow loading speed
- Difficulty in customizing content
- Poor search engine optimization

The revamped website provides a user-friendly source of up-to-date information on the properties and projects HAL represents.

Home Afrika is using the resource to develop a stronger internet presence by search engine optimization and linking it to social media pages



**Home Owner Engagements And Updates**



*Continuous engagement with Migaa Home Owners.*

**Social Media Platforms**



*Increase and improve Migaa's online presence.*

**5760 Office Visits**



**Migaa on ground events**



- 912 Golfers   - 12 Photo shoots   - 1 Wedding



- **Cycling**
- **Walk/ Run/ jog**
- **Crazy bootcamp**
- **Dance class**
- **Amazing race/ treasure hunt**
- **Golf**

Event Fliers



Our Partners



## DIGITAL COMMUNICATION

HAL came up with a study of our audience likes, dislikes enabling tailor made content creation on social media pages such as Facebook, twitter ,LinkedIn, Instagram and YouTube. our marketing strategy was to channel all efforts of marketing towards our digital platforms.

We heavily invested in digital marketing i.e. social media sponsored posts and social media campaigns for our lead generation.

We have been able to appreciate the power in digital marketing and the reach we have achieved in terms of our digital / online presence.

We were able to grow our online presence by 30% by the end of 2021. Hal social media pages have seen exponential growth in database. We encouraged the staff to create and share our content on our social media pages.



## HOME AFRIKA INVESTORS CLUB

Home Afrika launched Property Owners Investment Club, a place where we will help members reach their real-estate goals through networking opportunities and education programs.

Our vision for the Investors Club club is to bring together like-minded and smart people willing to not only share knowledge and real-estate investments goals but also to share ideas as well as pool funds to acquire property.

Across the globe, some of the richest people on earth belong to investment clubs of some sort. You may have heard of the Investment Group for Enhanced Results in the 21st Century aka Tiger 2, a club for members who seek investment advice from other wealthy individuals.

Tiger 21's goal is to "improve each member's investment acumen through peer feedback and critique," and approach we have also adopted for the Home Afrika Property Owners Investment Club.

Through webinars, power workshops and networking events, we shall provide members of the Investors Clubs plenty of opportunities to identify possible choice investment options, access to exclusive deals and investment news and alerts. Our goal is to provide an intimate setting where there is trust and

knowledge as well as investment experts to guide individuals as well as groups acquire properties.

At the end of the day, our focus at Home Afrika is to help people find the right property, ensure members get the right return on investment, secure members the best yields, and expanding portfolios.

You may ask, why should people trust us to guide them in Investment Club. There answer is simple. Like the people we are urging to join the Investors Club, Home Afrika was the dream of like-minded professionals and real-estate practitioners who formed themselves as an investment group and later incorporated themselves into a fully-fledged limited liability company.

Many real estate investors so as to include everyone, not appear to be targeting young professionals only out there are lost and afraid of losing their hard-earned money in clumsily planned investment schemes. We are here for them. We have built our networks and expertise over the last 12 years, becoming a listed company in the Nairobi Securities Exchange.

Our Investors Club is your best and safest bet for your real-estate dreams. Join today and grow your future.

**THURSDAY  
14 TH  
OCTOBER**  
AT 7:00 PM

**PROPERTY OWNERS  
INVESTORS CLUB**

**LIVE  
WEBINAR**

**TOPIC:**  
**Effective Strategy &  
Focused Leadership  
Covid era.**

**Dan Awendo**  
Managing Director  
Home Afrika Ltd

**More Info:**  
0706 669 706

**Register Now**

**Visit Us:**  
[www.homeafrika.com](http://www.homeafrika.com)



**Property Owners investors club will focus on helping members reach their real estate goals through educational programs and networking opportunities**

**#Join Us Today**



Property  
Owners  
investors  
club



**+254 794 898 635**



## RE: INTRODUCING MORNINGSIDE BUSINESS HUB

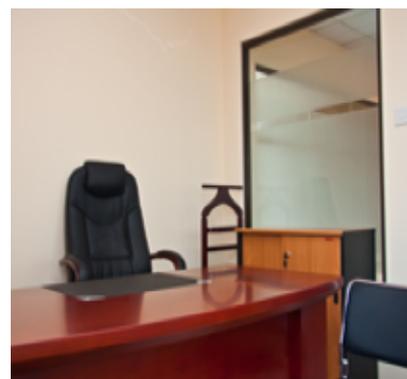
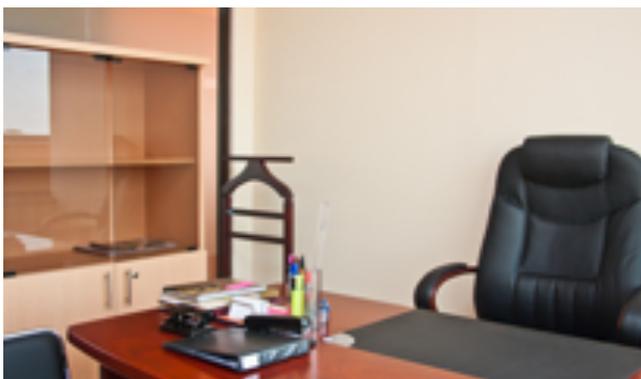
I would like to take this opportunity to introduce Morning side Business Hub to you and highlight some of our value products which I'm sure will be of interest to you and your immediate network. Morningside Business Hub was established to help entrepreneurs grow their businesses by minimizing their costs. We understand that a major challenge that entrepreneurs face is raising capital that will be adequate to cover set up costs and several months operational costs.

Therefore, having a package for our executive office suites which comprises a fully furnished, fully serviced office and other business support services, effectively covers setup costs and some of the business' operational costs thus making the entrepreneurial dream realizable. Through the package our clients have been able to move in and start operations immediately and focus on growing their businesses as we take care of the other services they may need.

In addition, we have an impressive conference space where our executive office suites clients, or any other person who requires such a space - be it for a formal business meeting or a social event - can access. We can also organize for any catering or additional item that the client may require to make their meeting or social event a bigger success. We purpose to help our clients grow their ventures and have the best experience in our conference facility. Each time that happens, as it has been, we know our job is done.

We are offering services on printing, binding, laminating, photocopying, scanning and Conference hires at Morningside Business Hub, 6th floor. We will work hard to provide you with the best services that will assist you in the smooth running of your operations at a very pocket friendly price.

## SERVICED OFFICES



## CONFERENCE ROOM IMAGES



## BIRTHDAY DINNER



## ROOFTOP IMAGES



# ICT



## INTRODUCTION

In 2021, the global economy is still feeling the effects of the global pandemic, COVI-19.

Now more than ever, during this post pandemic era, Information Technology has now become a key pillar for business continuity. ICT has cemented itself as a driver of business and a necessary tool for organizations to survive and prosper in a rapidly-changing, competitive, business environments. The need for

organizations to rapidly formulate and implement innovative digitally transform strategies is now more important than ever if at all firms are to remain relevant with the change in how business operates.

ICT is an enabler of business with digitization of their operations to remain relevant in the new COVID-19 era. Home Afrika takes ICT not as a support function but as business driving function.



### Innovative ICT Systems and Collaboration Software

		
<ul style="list-style-type: none"><li>- Remote Data Access</li><li>- Intranet</li><li>- Authorization and Authentication</li></ul>	<ul style="list-style-type: none"><li>ICT Support</li><li>Secure Remote Troubleshooting</li></ul>	<ul style="list-style-type: none"><li>-Virtual AGM,</li><li>-Virtual Meeting Departmental &amp; Company Meetings</li></ul>

		
<ul style="list-style-type: none"><li>Cloud Computing &amp; Collaboration Softwares</li><li>Remote Operations</li></ul>	<ul style="list-style-type: none"><li>Data Backup</li><li>Business Continuity</li><li>Data Analytics</li><li>Artificial intelligence</li></ul>	<ul style="list-style-type: none"><li>Virtual Annual General Meeting</li><li>- Registration</li><li>- Voting</li><li>- Q&amp;A</li><li>- Reports</li></ul>

## Information Security

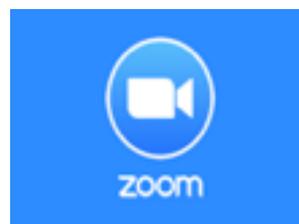
In the backdrop of the influx of cyber-attacks in our rapidly evolving war on global economies, Home Afrika has positioned itself by investing heavily in information security tools, spearheading cybersecurity training and creating awareness through workshops.

More so, now that most corporates have slowly but steadily embraced the work from home formula, now more than ever the incidences of cyber-attacks have vastly increased and Home Afrika has ensured it has implemented proper controls to make such working environments safer for its workers. The ICT team had to ensure multiple layers of security to secure remote access to critical systems. Home Afrika have adopted a Virtual Private Network solution to enable remote staff members to access shared resources in a secure way. Such shared resources are most vulnerable to cyber-attacks and need a lot of focus to setup measure to secure such kind of access. Home Afrika has implemented policies inline with the already in place Cyber-Security strategy guidelines.



## Secure Remote Troubleshooting & Scheduled support and troubleshooting

Working from Home Necessitated remote access to user Laptops for providing technical assistance and servers inside the corporate network for regular support operations. In support we have implemented various tools that enable us serve the end users better. The remote support tools used TeamViewer and any desk support. We also have a help desk tool that helps us receive support request queries and act on them promptly.



## Video Conferencing

Home Afrika has also warmly embraced video conferencing technology so as to provide some sort of traditional face-to-face meeting experience. This has helped to facilitate celebration from anywhere and has also come a long way to assist in the hiring process as well. Home Afrika has adopted a number of these solution with the Zoom Meeting solution being the most commonly used video conferencing solution.

With custom meeting invites via WhatsApp and email in addition the prior registration requirement makes the meeting attendance easy and secure. These tools have a number of features like white board where notes can be taken down while the meeting progresses, an active presenter can share there PowerPoint presentations in a collaborative way.



## Virtual AGM

The post pandemic period has been quite challenging to most corporates in many ways. The impact is still is still being felt all over the world and most firms have had to think outside the box for survival and compliance purposes. Home Afrika being a public listed company, has adopted effective strategies in order to streamline operational costs while still remaining true to its shareholders and also to the relevant government regulatory guidelines.

Home Afrika's Annual General Meeting weld held virtually with impressive effectiveness and cost reduction as compared to previous physical AGM meetings. The virtual AGM was streamed live and was easily accessible to all registered members regardless to a member's physical location. A provision was made for registration, voting and Q&A sessions to all members both on web and USSD platforms.



# ICT



# HUMAN CAPITAL



## Our Culture

### What we do:

Disciplined focus on results

### How we do it:

Empowering innovation and team work

The Human capital at Home Afrika Limited remains a key foundation in driving business. Their skills and expertise are critical to creating and executing strategies, and their service orientation and commitment to excellence helps to deliver results, build relationships and secure our reputation. The company is continually working towards ensuring we have the best human capital by focusing on recruitment, onboarding, performance management, training and development, employee reward programs, employee engagement programs, employee retention programs, and staff welfare and wellness. Our ambition is to be the most sought-after employer where colleagues feel engaged and empowered to achieve their best in order to deliver our best for our clients

## Demographics and diversity

We have a workforce of 88 permanent employees and 107 casual employees.

In our pursuit to ensure a well-balanced working environment we have ensured diversity in all areas possible. We are a fully multi ethnic organization with all regions of the country well represented. Our workforce encompasses a multi -generational profile, which ensures skills are well spread and opportunities for succession are provided.

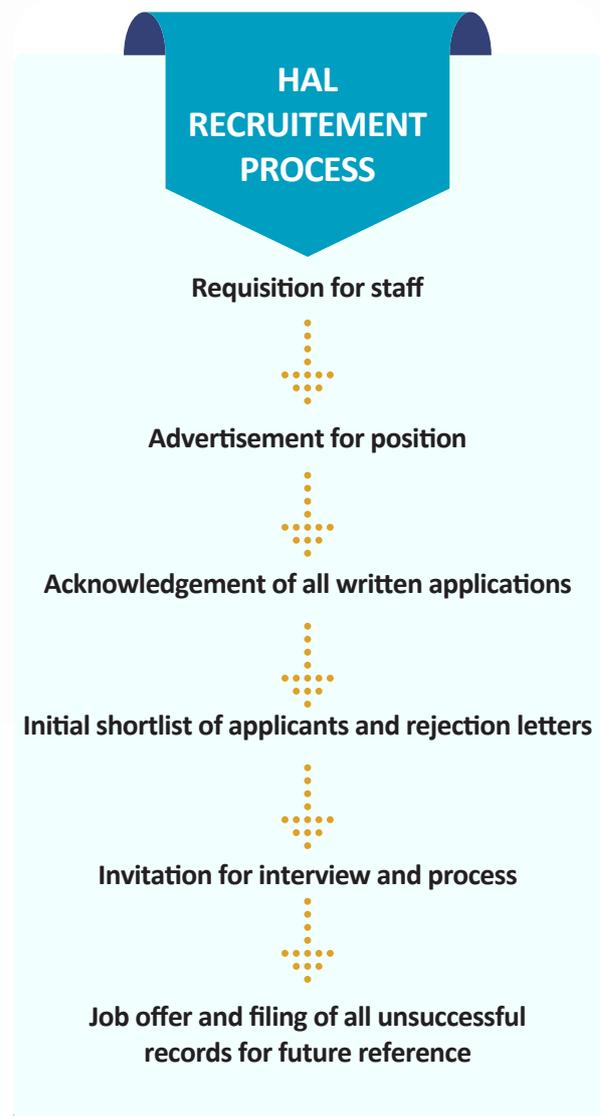
Diversity and inclusion are key to our sustainability strategy, ensuring talent continuity and broadening the company's appeal to employees in various market segments. This will allow us to continue attracting and retaining employees who positively contribute to our success.

We have a female work force of 48% and a male work force of 52%.

## Recruitment

Attracting and retaining the best human capital is a high priority for the company. In order to meet the needs of our customers and the requirements of our regulators, we are focused on having the right people with the right skills, in the right roles. We are big on internal promotins.

Our aim is to fill arising vacancies internally first as a deliberate policy to farm talent within the organization and promote growth within the organization for our employees. Our recruitment process focuses more on diverse set of skills in addition to specific role expertise so as to ensure we hire highly competent, customer centric employees. We are also big on head hunting to ensure we have the best people on our team.



## Performance Management

At Home Afrika, there is a high-performance ethical culture. We make use of the Key Performance Indicator approach to measure employee performance. Our model of appraisal is the 360 degrees appraisal system which enables employees to get all rounded feedback.

Despite being a pandemic year and having the employees work virtually, performance was still appraised and productivity remained at all time high.

## Training and development

At Home Afrika, we believe in improving skills for our employees and this is mainly done through training and development.

In the year in review, trainings were highly encouraged both physical as well as virtual trainings. The company has a set aside budget for training for each individual to promote improvement of skills for the employees.

## Employee Engagement

How our people think and feel about their work correlates with how satisfied our clients are, and how successful we are in delivering our strategy and performance aspirations. We therefore aim to keep staff engaged at all times. This is done via an existing employee engagement program .

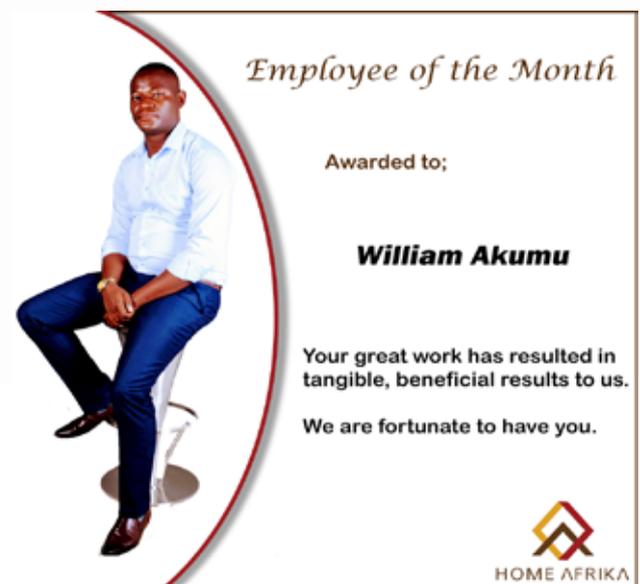
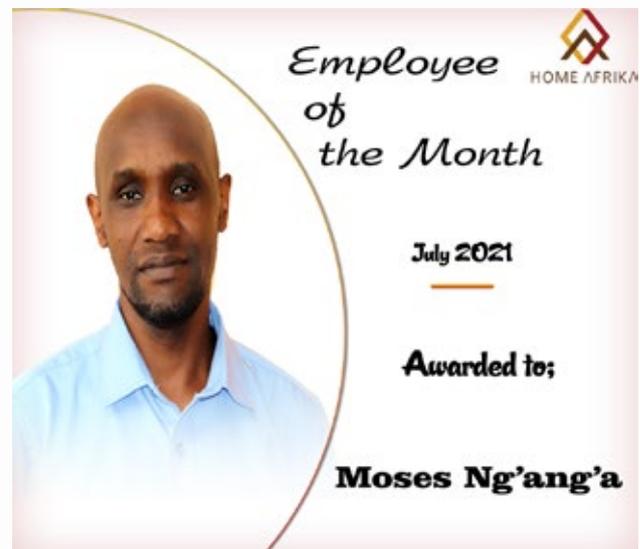
Success in this area means;

- We are considered a great place to work and our people relate to the company's culture and staff are deeply connected to what the company does, their colleagues as well as the clients.
- Our people are empowered to deliver against the company's strategic plan while being recognized for great service delivery.
- Our people are encouraged to speak up and feel heard when they voice their views

## Reward Management

Home Afrika believes in rewarding employees who perform exceptionally well. There are reward systems in place and thus employees are motivated to perform.

Recognition and praise is vital as it motivates the employees to work towards achieving and surpassing their set targets.



## Employee welfare and wellness

Our commitment is to continuously have initiatives that guarantee our employees wellbeing and a well-balanced lifestyle. We aim to have a great working environment by having the following: -

**Medical:** The Company meets the medical expenses of the employees and their nuclear family for all the permanent employees. The company pays full premium of the medical cover. The cover which is by a private company caters for all rounded medical needs.

**WIBA (Work Injuries & Benefits Act):** Cover for occupational injuries or death within the work place.

**Monthly staff meetings and get togethers (Office parties):** There are monthly staff meetings/get togethers that bring the team together to catch up and celebrate both work and personal milestones.

**Benevolent fund:** The company has a benevolent fund where employees contribute to and this helps in supporting staff in life's ups and downs.

**Covid-19 pandemic safety measures:** The Company implemented measures to keep the employees safe while working during the Covid-19 pandemic which include;

1. Provision of masks and creation of sanitization spots in the office.
2. Implementation of virtual working (working from home).
3. Facilitating working from home by provision of airtime and internet bundles.

## COVID – 19 Pandemic Impact

The Covid-19 pandemic had many effects at the workplace which include:

1. Salary reductions. The company had to make the hard decision of subjecting salaries to a pay cut so as to enable the company survive the pandemic year.
2. Employee turnover. The company experienced involuntary employee turnover as the company went through restructure both at board and management level.



## PERFORMANCE AGAINST STRATEGY

STRATEGIC OBJECTIVES	STRATEGIC INITIATIVES	KEY PERFORMANCE INDICATORS
<b>OBJECTIVE 1. LAND</b> Acquire land with the following objectives: <ul style="list-style-type: none"> <li>• Land banking</li> <li>• Subdivision and sale</li> <li>• Property development</li> </ul>	<ul style="list-style-type: none"> <li>• Joint venture</li> <li>• Government Partnerships</li> <li>• Seed financing</li> </ul>	<ul style="list-style-type: none"> <li>• Joint Venture with strategic partners to Sell their projects on behalf in Migaa Secondary salls was established and External parties with Saif Properties and Tarrow limited</li> <li>• Land Banking : by end of the year we concluded with 5 Acres in along Kangundo road</li> <li>• Due to the effects of covid 19 on Cash flows we were not able onboard New smart Plots</li> </ul>
<b>OBJECTIVE 2. EXPANSION</b> To grow Sales and Revenue.	<ul style="list-style-type: none"> <li>• Go county plan</li> <li>• Corporate rebranding</li> <li>• Diversification of products and services</li> </ul>	<ul style="list-style-type: none"> <li>• Project Origination: Undertake 2 internal staff trainings per quarter for originations</li> <li>• Property letting and management</li> <li>• Go county plan</li> <li>• Develop a pipeline of 14 properties for management for the year 2020</li> </ul>
<b>OBJECTIVE 3. INNOVATION AND TECHNOLOGY</b> Reduce cost of construction through technology.	<ul style="list-style-type: none"> <li>• Appropriate technology</li> <li>• Research and development</li> <li>• ERP Systems</li> <li>• Partnerships with educational institutions.</li> </ul>	<ul style="list-style-type: none"> <li>• Began development of the property management addon on the website</li> <li>• Upgraded the SAP ERP to gain more features for better functionality which include Remote access.</li> <li>• Crm customization to better the sales process and improve Customer management</li> </ul>
<b>OBJECTIVE 4. SERVICE EXCELLENCE</b> World class real estate service	<ul style="list-style-type: none"> <li>• Establishment of quality standards framework.</li> <li>• Benchmark against best practice.</li> <li>• Planning and Quality assurance.</li> <li>• Customer Relationship Management (CRM) tool.</li> </ul>	
<b>OBJECTIVE 5. HUMAN CAPITAL</b> Identify, nurture and grow human capital that will increase the value of Home Afrika.	<ul style="list-style-type: none"> <li>• Talent Acquisition and retention</li> <li>• Performance management</li> <li>• Organizational structure</li> <li>• Succession planning</li> <li>• Creating the right business culture</li> <li>• Onboarding</li> <li>• Compensation</li> </ul>	
<b>OBJECTIVE 6. FINANCIAL STRENGTH</b> Increase Home Afrika's financial stability.	<ul style="list-style-type: none"> <li>• Source of finance</li> <li>• Cost of financing</li> <li>• Return of investment</li> <li>• Development of buyer financing model</li> <li>• Development of project financing model</li> </ul>	
<b>OBJECTIVE 7. PARTNERSHIPS</b> Revenue generation	<ul style="list-style-type: none"> <li>• Outsourcing of processes</li> <li>• Strategic partnerships</li> <li>• Business model partnership</li> </ul>	<ul style="list-style-type: none"> <li>• Relunched the Investors club and engaged various partners to offer discount and other targeted services to its members.</li> </ul>
<b>OBJECTIVE 8. MARKETING</b> Increased stakeholder engagement	<ul style="list-style-type: none"> <li>• Website</li> <li>• Social media</li> <li>• Branding and signages</li> <li>• Networking</li> <li>• Electronic Mail</li> <li>• Ad Placement</li> <li>• Public relations</li> </ul>	<ul style="list-style-type: none"> <li>• Increased articles on the blog section to increase the visibility and to provide the perfect platform to strengthen our SEO strategy</li> <li>• We heavily invested in digital marketing i.e., social media sponsored posts and social media campaigns for our lead generation</li> <li>• We ensured compliance of standards in all aspects of the firms' work and visual identity</li> <li>• We Improved the public image of the company through Developing opinion pieces for the company</li> <li>• Our professional affiliations and memberships played a key role in the activation of a larger market for the properties</li> </ul>

## FINANCE REPORT



Home Afrika Ltd delivered better results for the year F2021 despite the ongoing impact of COVID-19 on our people, operations and markets. The financial performance is testament of the significant investment of capital and management attention to transform the company's performance in the coming years.

### 2021 Key highlights

Our results demonstrate resilience in persistently tough conditions and reflect strong underlying operational recoveries and performance for the year.

The group reported a 30% growth in revenue for the year ending 31st December 2021 compared to the same period in 2020 growing its gross profits by 204% from KSh. 52.4 million to KSh. 159.5 million. Actual sales, not adjusted for percentage of completion, for 2021 were Ksh 570M. Growth of reported revenue by the group was as a result of registration of more leases and increase in the percentage of completion for the Migaa project, for 54.5% in 2020 to 59.8% in 2021. This came against all odds faced by the industry in general in the wake of a depressed economic environment. In addition to growth in reported sales and gross profit thereof, the group has reported a 17% decrease in loss after tax for the period ending Dec 31st December 2021 of KSh. 281.5 million down from KSh. 340.2 million posted in 2020.

Migaa Golf Estate, being a long-term project, is expected to realize its profitability at the end of the project within the next 2 – 3 years' time. In line with IFRS -16 sales proceeds of the project (referred to as actual sales but that are not adjusted for percentage of completion) are carried in the balance sheet as current liabilities both as deferred income and as deposits from sales of plots both now grossing KSh. 3.2 billion as at 31st December 2021 compared with KSh. 3.1 billion for the same period in 2020. This amount will convert to gross revenues in our profitability statement as the

percentage of completion of the project continues to improve from the current 59.8% over the next couple of years. All expenses except cost of sales and commissions are usually expensed in the current period.

The sales from smart plots are booked as deposits for plots in the balance sheet, as the purchaser complete the payments and we issue the titles, these deposits will progressively be reported as revenue in the profit and loss.

The book value of the group's sellable land and other inventory stood at Kshs.3.6 billion in 2021. We continue to invest in infrastructure of the various projects, especially our main project, Migaa Golf Estate, which will help improve the market value of the land bank as the land becomes more desirable.

### Reporting and compliance

The company's strategy on corporate governance is focused on three main agendas, these are compliance with laws and regulations, promotion of growth in a sustainable manner and the improvement of shareholder value.

The Board of Directors (the "Board") is fully responsible and unreservedly committed to applying the fundamental principles of good governance – transparency, integrity, accountability and responsibility - in all Company dealings.

The Company successfully undertook the Corporate Governance Audit as required by CMA regulations in the second half of the year. This revealed that whereas the current corporate governance structure was adequate, the company policies were updated and further reinforced the board's commitment to sound corporate governance. In addition, the company complied with the requirement to self-assess its corporate governance performance using a matrix provided by the regulators.

Furthermore, the company enacted various updated company policies to regulate daily activities. These include; Conflict of interest, Insider Trading, Code of Ethics and Whistleblowing.

### Outlook

Despite the pandemic's challenges, the real estate industry is optimistic in 2022. As the group focuses of the turnaround process, the relaxed Covid 19 restrictions we are optimistic of a better performance in 2022

**CPA HILLARY ANDALO**  
*Management Accountant*

## SUSTAINABILITY REPORT



There are a number of critical factors leading to successful Sustainability is a priority for the Board of Directors and the company's executive leaders, starting with our chairman Mr Peter Mungai.

Ultimately, we believe this expansive and inclusive view of value creation helps maximize our potential as a business to grow, create economic value and make a lasting positive difference for communities and our world.

At Home Afrika Limited the way we lead, work and behave is driven by our core values. These values influence the way we meet client needs while respecting the regulatory requirements and the way we promote ethically sound practices within Home Afrika. Sustainability is integral to the company's business strategy, for Home Afrika Limited, this means delivering both short-term and long-term value for shareholders and all other stakeholders, because today's profits are essential to fund tomorrow's growth.

The Board and Management of Home Afrika Limited. ("HAL" or the "Company") are committed to maintaining a high standard of corporate governance practices within the Group. In the year 2020, the COVID-19 pandemic is having a greater impact on commercial real estate than the global financial crisis of earlier in the previous years. This impacted mostly liquidity crisis.

The pandemic directly impacts the demand for space through quarantines, social distancing, shutdowns, supply chain disruptions, employment loss and a shattering of consumer confidence in real estate. The pandemic showed us the reality of the balance between life and livelihoods leading us to implement various initiatives, among them the Turnaround Strategy.

The strategy is designed to bring the company back to profitability and create value for the shareholder. Amidst the economic uncertainty, there are emerging opportunities as work, life and holidays evolve beyond the pandemic. Homes have become central tenets in the live-work-play lifestyle that has been thrust to the fore by the pandemic. We have devoted deliberate effort to identify and formalize best practices in corporate governance.

The Board believes that sound and effective corporate practices are fundamental to the smooth, effective and transparent operation of any company and its ability to attract investment, protect the rights of shareholders and stakeholders, as well as enhancing shareholder value. Accordingly, the Board has ensured that the Company's policies and guidelines are in line with the existing regulatory framework of the Capital Markets Authority, the Companies Act 2015, and the Kenyan Constitution 2010.

We are committed to integrating responsible and sustainable business practices across our operations. It is our policy to act responsibly in our day-to-day activities in order to sustain the relationships with our customers, suppliers, employees and communities.

We have modeled our policies after some of the provisions of the Constitution of Kenya (2010), United Nations Sustainable Development Goals (SDGs), the UN Declaration of Human Rights and all applicable provisions of Kenyan legislation.

**PETER MUNGAI**  
*Home Afrika Limited, Chairman*

## SUSTAINABILITY AT HOME AFRIKA LIMITED IN 2021

There are a number of critical factors leading to successful sustainability strategy especially during the Covid 19 Pandemic. These are both internal and external. Internally, the determinants are corporate governance and stake-holder (external parties) engagement while external determinants include the legal system in the country and the cultural and social factors.

### 1. EXTERNAL FACTORS

Externally, to improve the sustainability of operations especially during the covid pandemic period. We explore how the complexity associated with defining, coordinating and interacting with stakeholders in their work on integrating sustainability into the business operations increases substantially. Furthermore, sustainability also introduces considerations relating to the natural environment and social issues, for example, consideration of the interaction between economic consideration with social and environmental issues.

These changes from external factors require management to not only address new issues, but also to substantially change existing practices and create new management systems. Externally we ensure that the clients we pursue are engaged our clients and investors as a way to maintain reputational risk.

## STAKEHOLDER ENGAGEMENT

This refers to all groups of people who are affected directly or indirectly by our company decisions, policies and operations. During covid period it was high time to transition to digital engagement A more conscientious and measured approach to stakeholder engagement is essential. It may be time to pause, reconsider your engagement tools and timeframes, and reconfirm whether it is appropriate to :

- a) adapt and proceed, or
- b) postpone, a particular project's engagement plans.

This does not mean any less effort to identify and attract our targeted audience.

Here are some of the digital engagement planning, tools and etiquette that HAL used to engage our stakeholders during the pandemic;

### 1. Video conferencing -

The current public health related restrictions have seen video conferencing become the new normal. We are embracing this and are continuing to hold virtual AGM meetings. Not only can we continue to communicate and engage with stakeholders, but there is the added benefit of being able to meet more often, increasing productivity and reducing costs arising from the elimination of travel time.

### 2. Digital mapping tools -

Community mapping, using maps and photographs of an area or specific location, is a useful way to engage people of all levels of capability. A variety of aspects can be mapped including land use, community facilities, and transport networks to develop a snapshot of an area.

Mapping is an effective method for people to illustrate how they view an area (what they like or dislike, what improvements they would like to see) or to comment on projects by location or features. We are able to swap hard copy maps and in-person workshops with digital mapping tools and facilitated online workshops or discussion forums to help people identify issues, provide local knowledge, explore ideas, build consensus or identify areas of conflict with our projects via our digital platforms. This will work for both ideation and optioneering phases of a project.

Home Afrika Limited is cognizant of the fact that it takes all of us working together to truly have an impact, we have embraced our digital engagement tools as the sole means of communicating and engaging with project stakeholders (for the time being), it is important to stay user-centric and not fall into the trap of becoming technology-centric.

“

*...it takes all of us working together to truly have an impact...*

”

This means continuing to carefully plan our engagement activities, think about the customer and facilitate a quality stakeholder engagement experience by posing engaging questions, providing a range of digital tools and channels, and perhaps running a longer than typical engagement period, all of which will enable stakeholders to decide if, how and when they engage on the topic during these challenging times

## 2. ENVIRONMENT

Home Afrika Limited respects the environment and recognizes a shared responsibility to protect our planet. Although our facilities and operations have a small ecological footprint, we reduce the environmental impact of our business through preservation, conservation, and waste reduction practices, being that Environmental, Social and Governance (ESG) is no longer an emerging trend, but a critical component of real estate investment.

While COVID-19 has underscored the importance of ESG issues, this new “norm” is a result of trends already underway, including dramatically changing acceptance of the risks of climate change, innovations in the measurement and tracking of ESG performance, new innovative ESG investment alternatives, the growing influence of millennial investors, and substantial recognition of ESG initiatives from corporations.

Within real estate investing, ESG requires a more conscious focus on stakeholders and different perspectives – from investors and clients, to tenants, residents, building staff and contractors. Issues of equity, sustainability, health and wellness, and diversity all filter into decision-making.

## 3. INTERNAL FACTORS

Internally, organization and governance are reflected in the structures that firms use to monitor and control complexity decisions throughout all stages of business operations. Practices related to sustainability during the pandemic included;

### 1. Management Decisions

Our Company’s adoption of a strategy is influenced by management decisions. Management mindset thus plays an important role in the sustainability strategy adoption. In 2021, our management in order for the company to stay afloat and business operations to continue during the pandemic decided to allow our employees, where possible, to work from home.

Leaders of those companies which have a well-articulated set of guiding principles

### 2. Company Structure and Policies:

The company Policies that govern the company, ensure that ethics are well adhered to i.e. The Board has an approved a Code of Conduct, which requires that staff uphold the utmost value to maintaining trust and abide by all relevant laws and regulations, uphold high ethical standards and act fairly and sincerely in the best interests for sustainability of the company.

Home Afrika has a good human resource framework that helps the organization understand the foundational elements that need to be in place to foster a high performance sustainable or CSR (corporate social responsibility) organization. This is to include the Human resource Policy Human that aids to resource professionals have a key role to play to help a company achieve its sustainability.

Home Afrika is committed to doing the right thing, conducting ourselves in a legal, ethical, and trustworthy manner, upholding our regulatory obligations, and complying with both the letter and spirit of our business policies to ensure a sustainable working and operating environment not only to the employees but to the country as well.

## MIGAA CSR PHILOSOPHY

Migaa hopes to work together with the local communities to address local issues by exploring certain possibilities.

It shall endeavor to support and upgrade local schools and dispensaries. Organize entrepreneurship and business training, youth education on HIV and AIDS, drugs and alcohol to hopeful combat delinquency and promote empowerment and meaningful lifestyles in the villages.

Provide schools that have biogas potential with biogas digesters that subsidize their fuel costs and reduce deforestation. Sponsor environmental education and literacy in students enabling them to identify, investigate and resolve environmental issues through active participation.



## ENVIRONMENT

### *Migaa Green Goal!*

#### Tree Planting at Migaa

Trees are fundamental to the ambience of any residential estate, in essence, define its very nature. We see trees as the basis. Indigenous landscaping of wealth, character and integrity of Migaa. By planting a selection of indigenous species, we expect to attract and feed birds throughout the year. And through this, we anticipate that the property will take on new and interesting dimensions.

Migaa's goal is to plant 20,000 trees by end of 2022.



## CORPORATE GOVERNANCE

The company’s strategy on corporate governance is focused on three main agendas, these are compliance with laws and regulations, promotion of growth in a sustainable manner and the improvement of shareholder value.

The Board of Directors (the “Board”) is fully responsible and unreservedly committed to applying the fundamental principles of good governance – transparency, integrity, accountability and responsibility - in all Company dealings. The Board is able to achieve these through various structures within the company derived from the company strategy. These structures are:

1. Board composition;
2. Compliance with the law; and
3. Commitment to international standards of Environmental Sustainability Governance (ESG)

### THE BOARD

#### I. COMPOSITION

The Board currently comprises Eight (8) members each of whom, with the exception of the Managing Director are non-executive. The Managing Director is tasked with ensuring that the Board’s direction of strategy is implemented by the company staff. The Board also made up majority independent and minority non-independent membership as illustrated below:

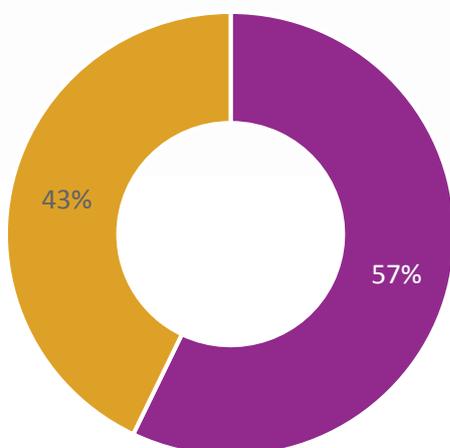
Directors’ respective shareholdings are also illustrated below:

No.	Director	No. of shares held	Independent / Non- Independent
1.	Peter Mungai	None	Independent
2.	Luke Kinoti	None	Non Independent
3.	Dan Ochieng Awendo	370,000	Non Independent
4.	Mbugua Gecaga	None	Independent
5.	Jayne Nyokabi	None	Independent
6.	Frida Owinga	None	Independent
7.	Bertha Mvati	None	Independent

The Board has membership of highly qualified men and women whose cumulative experience is over 100 years and who are members of good standing in their respective professional bodies.

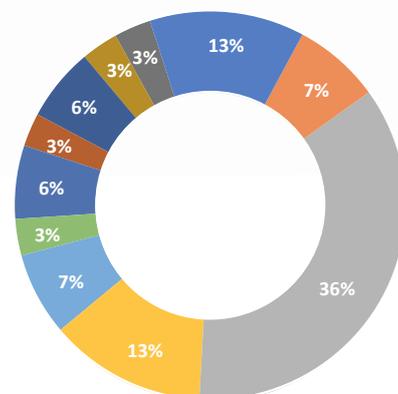
Their expertise and knowledge are in various fields including economics, accounting, finance, property development, engineering, management consultancy, project management, marketing, law and entrepreneurship as illustrated below:

Director’s Independence



Independent Directors      Non-Independent Directors

Director’s Professional Skills Fields



Strategy      Real Estate Development  
 Accounting      Legal Advisory  
 Audit & Risk management      Property Law  
 Financial advisory      Corporate Financing

The Board maps out the Company's medium- and long-term strategies in addition to its responsibility to review the management's action plans. The Board's other primary duties are to conduct regular reviews of the Company's business operations and performances and to ensure that effective controls and systems exist to measure and manage the principle risks of the Company's business. The Board also reviews major strategic initiatives of the Company to determine whether the Company's proposed actions are aligned with long-term business strategies and shareholder objectives.

### **Appointment & Re-Election ,Retirements**

The Directors are elected by the shareholders for terms not exceeding three (3) years. Thereafter, they retire by rotation. This is a mechanism that ensures proper succession planning and maintains institutional memory of the company. In 2021, the following Directors were appointed to join the Home Afrika Board and they included the following

1. Jayne Nyokabi
2. Nelson Ashitiva

While two directors resigned from their positions being;

- Dan Awendo
- Kendi Ogamba

### **Board Committees**

The Board has constituted three committees to supplement its functions. The Committees review matters on behalf of the Board in accordance with the Board approved terms of reference.

## THE BOARD (8) MEMBERS

<b>Board Committees</b>	<p><b>Audit and Risk Committee:</b></p> <p>The Committee oversees the Company's financial reporting, compliance, risk management and internal controls. The Committee receives and reviews findings of internal and external audits and actions taken to address them.</p>
	<p><b>Finance, Procurement and Strategy Committee:</b></p> <p>The Committee reviews and recommends to the Board for approval matters pertaining to: business strategic plans including its implementation and monitoring process; new markets expansion; significant investment and divestment decisions; annual business and financial plans and budgets and sustainability.</p>
	<p><b>Nomination, Governance, Human Resource and Administration Committee:</b></p> <p>The role of the Committee is to develop and implement policies with respect to both the strategic priorities of the Board on matters of governance. Specifically, the Committee assists the Board in considering matters relating to the composition of the Board, including the appointment of new Directors and reviewing succession plans in order to maintain the appropriate balance of skills on the Board. In addition, the Committee also assists the Board in the implementation of sound corporate governance principles and practices.</p>

### Board & Committee Meetings

The Board has in place an annual work plan that sets out the Board activities for the year. The Board meets quarterly and additionally when necessary. Board and committee meetings attendance in 2020 was as follows: -

	Board Meeting	Audit & Risk Committee	Finance Procurement & Strategy Committee	Nomination, Governance & HR Committee
<b>Total of Meetings held in 2021</b>	5	4	4	2
<b>Directors Names</b>				
Peter Mungai	5			
Frida Owinga	1	1		2
Luke Kinoti	5	4		2
Bertha Mvati	5		4	
Dan Awendo	4	3	3	2
Mbugua Gecaga	5		4	
Jayne Nyokabi	5	4	4	2
Nelson Ashitiva	2	1		1

### The Company Secretary

The Board is assisted by a suitably qualified company secretary who is a member of the Institute of Certified Public Secretaries of Kenya in good standing. The Company Secretary plays an important role in supporting the Board by ensuring adherence to Board policies and procedures. Each Director has direct access to the Company Secretary. The Company Secretary also facilitates effective communication between the Company and the shareholders.

### Board Charter

All Board activities are guided by the Board Charter which was recently updated. It outlines the role of the Board of Directors in the business structure and operations of the Company. It further provides that the Board shall conduct itself by using the highest standards of ethics and at all times proceed in accordance with the applicable laws, for the best interests of the company's shareholders and stakeholders.

## II. COMPLIANCE WITH THE LAW

The Company successfully undertook the Corporate Governance Audit as required by CMA regulations in the second half of the year. This revealed that whereas the current corporate governance structure was adequate, the company policies were updated and further reinforce the board's commitment to sound corporate governance.

In addition, the Company complied with the requirement to self-assess its corporate governance performance using a matrix provided by the regulators. These exercises were all aimed at ensuring that the company remains transparent with the regulator while at the same time complying with the law. The company also has in place Board which approved policies that aim to reinforce good corporate governance practices as well as comply with the law as discussed below.

### **Conflict of interest**

Conflict of interest refers to any situation that has the potential to undermine the impartiality of a person because of the possibility of a clash between the person's self-interest and professional interest or public interest. In this context, all Directors, senior management and all employees must avoid any situation which might give rise to a conflict, real or perceived, between their personal interest and that of the Company.

Any Director, senior management and employees with a material personal interest in any matter being considered during any Board or Committee meeting will not, as the case may be, vote on the matter or be present when the matter is being discussed and considered. In addition, any conflict of interest by a director is noted in the conflict of interest register that is maintained by the company secretary. The Board Charter and the Human Resource Management Policy implements the controls and lays down guidelines for how any arising conflict of interest at employee and director level are to be dealt with.

In 2020 there were no conflict of interest matters reported.

### **Insider Trading**

The Company has a policy on insider trading which aims at preventing the improper communication of material undisclosed information regarding the Company as well as trading in securities of the Company, by establishing procedures to guide the Company's Directors and Employees in understanding and complying with their obligations relating to insider trading.

A Director who deals in any of the Company's securities shall notify the Company Secretary in writing of all dealings and the

timings, the number and the value of the securities involved. The Company Secretary shall prepare quarterly reports of all transactions undertaken by a Director dealing in the Company's securities for presentation to the Board of Directors.

### **Code of Ethics**

The core values of integrity, professionalism, team spirit and emphasis on safety culture steer our Company's organizational health and decision-making processes. The Company conducts its business in compliance with relevant legal principles and high ethical standards of business practice. The Board, Management and employees are required to observe the code and high standards of integrity. Further, these standards are applied in all dealings with customers, suppliers and other stakeholders.

### **Whistleblowing**

Home Afrika has zero tolerance for corruption, criminality or any form of wrongdoing. To deal with these, a Whistleblowing Policy is in place to set the standards for protection of would-be informers as well as reinforce the culture of honesty and discipline. The policy applies to all internal and external stakeholders and established the Board as the body responsible for enforcement.

To ensure impartiality, the Chairman is the designated Ombudsperson to be contacted on email: [ombudsperson@homeafrika.com](mailto:ombudsperson@homeafrika.com).

The whistleblowing Policy is available online at: [www.homeafrika.com](http://www.homeafrika.com).

### **Risk Management**

The board has committed the company to a process of risk management that is aligned to the principles of best practice and corporate governance.

Our business strategy depends upon us taking calculated risks in a way that does not jeopardize the direct interests of the different stakeholders. Sound assessment of risk enables us to anticipate and respond to changes in our business environment, as well as make informed decisions under conditions of uncertainty. The risk management process has been embedded in our business systems and processes, so that our responses to risk remains current and dynamic.

All key risks associated with major change and significant actions by the company also fall within the process of risk management.

A crucial part of risk management is comprised in internal and external audit – conducted semi-annually and yearly. Both are outsourced to auditors of proper standing in ICPAK and who

report directly to the board to ensure their independence. The governance audit is also an important facet of risk management, in 2020 it was conducted by an independent governance auditor of proper standing with the ICS and in compliance with the Code of Corporate Governance Practices for Issuers of Securities to the Public 2015.

In addition, the Board is mandated to seek clarifications on various matters where the company personnel lacks expertise to ensure that they are well informed of complex subject matters.

### **III. Commitment to ESG**

#### ***Board Training***

The Board of directors is cognizant of the pivotal role ESG plays in the success of the company. The Nominations, Governance, Human Resource and Administration Committee in conjunction with the Company secretary is tasked with Board trainings and evaluation. Whereas the directors are allowed to attend trainings individually, the Company secretary also organized internal training for all the directors. This ensured that the directors all achieved the mandatory training hours and were well informed of the emerging trends in corporate governance.

#### ***Board Evaluation***

The Board has formally reviewed its performance using a comprehensive and structured assessment approach. The exercise was led by the Board Chairman, the Nomination, Governance, Human Resource and Administration Committee and supported by the Company Secretary. The evaluation entailed assessment of Board activity, understanding and support of the Company's mission and purpose, adherence to governance practices, Board organization and decision-making processes, conduct of Board meetings and assessment of Board membership and its ability to execute its duties. The evaluation also included evaluation of the Company Secretary in supporting the Board execute its mandate. Areas that require improvement have been identified and actions to address these areas are to be implemented.

#### ***Remuneration***

The Board is committed to ensuring that remuneration is fair and responsible in the context of overall employees, disclosure is in the remuneration report.

## Ownership Structure as at 31 December 2021

HOME AFRIKA LIMITED			
OWNERSHIP STRUCTURE AS AT 31-12-2021			
SHARE HOLDER CATEGORY			
RANK	FOREIGN INVESTOR	SHARES HELD	% HELD
1	MR ZEYUN YANG	13,245,600	3.27
2	RIYAZ HUSSEIN MOHAMED RAJABALI	999,600	0.25
3	MR IKE,OTUONYE ALBAN IKE	500,000	0.12
4	KANAIYALAL MANSUKHLAL SHAH & LALITABEN KANAIYALAL SHAH	311,500	0.08
5	CYRILLE TRAKIZA MUTSINZI	295,900	0.07
6	SHAH, VISHAL SUDHIRKUMAR SHAH	248,800	0.68
7	SHAH,LATABEN SURENDRAKUMAR MEGHJI	195,000	0.53
8	STANDARD CHARTERED KENYA NOMINEES LTD A/C KE003970	195,000	0.05
9	AHMED,SADAF SEHER & FAHIM	130,000	0.03
10	PATEL,PRACHINABAHEEN KAVEL	130,000	0.03
	<b>SUBTOTAL</b>	<b>16,251,400</b>	<b>4.01</b>
	<b>OTHERS</b>	<b>604,007</b>	<b>0.15</b>
	<b>TOTAL</b>	<b>16,855,407</b>	<b>4.16</b>
<b>RANK</b>	<b>LOCAL INDIVIDUALS INVESTORS</b>	<b>SHARES HELD</b>	<b>% HELD</b>
1	FRANCIS CHEGE GATHITU	11,089,700	2.74
2	NYAGAH BOORE KITHINJI & LILIAN WANJIKU KITHINJI	10,062,600	2.48
3	HIRJI KHIMJI BHIMJI SEYANI & KARSAN KHIMJI SEYANI	10,000,000	2.47
4	NARAN KHIMJI AND VIRJI KHIMJI HIRANI	8,105,700	2.00
5	PAUL WANDERI NDUNGU	6,856,600	1.69
6	RASHID SSENYONGA	6,015,200	1.48
7	PATRICK RICHARD DEVINE	6,000,000	1.48
8	KARERI MBUGUA GICHINGA	5,902,100	1.46
9	EUNICE MORAA MARANYA	4,071,000	1.00
10	SANJEEV JYOTI SHARMA	4,000,000	0.99
	<b>SUBTOTAL</b>	<b>72,102,900</b>	<b>17.79</b>
	<b>OTHERS</b>	<b>217,248,103</b>	<b>53.61</b>
	<b>TOTAL</b>	<b>289,351,003</b>	<b>71.40</b>
<b>RANK</b>	<b>LOCAL INSTITUTIONAL INVESTORS</b>	<b>SHARES HELD</b>	<b>% HELD</b>
1	ERDEMANN PROPERTY LIMITED	11,794,200	2.91
2	HOME AFRIKA INVESTMENTS LIMITED	10,384,000	2.56
3	ERDEMANN COMPANY (KENYA) LIMITED	8,224,600	2.03
4	STIMELA CO-OPERATIVE SAVING AND CREDIT SOCIETY	6,816,800	1.68
5	HANSAN INVESTMENT LIMITED	5,297,200	1.31
6	PLANFARM COMPANY LIMITED	4,000,000	0.99
7	ALGORITHM LIMITED	4,000,000	0.99
8	HOME AFRIKA CONTINENTAL LIMITED	4,000,000	0.99
9	HASS CONSULT LIMITED	4,000,000	0.99
10	ASAT LIMITED	4,000,000	0.99
	<b>SUB TOTAL</b>	<b>62,516,800</b>	<b>15.43</b>
	<b>OTHERS</b>	<b>36,532,110</b>	<b>9.01</b>
	<b>TOTAL</b>	<b>99,048,910</b>	<b>24.44</b>
	TOTAL ISSUED SHARES	405,255,320	100.00
	<b>TOTAL NUMBER OF SHAREHOLDERS</b>	<b>7,979</b>	

## DIRECTORS' REMUNERATION REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### INTRODUCTION

The members of the Board Nominations & Remunerations Committee during the year were, Fridah Owinga (Committee Chairperson), Luke Kinoti, Nelson Ashitiva and Dan Awendo (Managing Director). All members except Dan Awendo are Non-Executive Directors.

The Schedule of attendance of BNRC meetings held during the year were as follows: -

#### Nominations & Remunerations Committee

	27-July	18-Nov	Total Meetings Attended
Nelson Ashitiva	✓	✓	2
Luke Kinoti	✓	✓	2
Fridah Owinga	✓	✓	2
Dan Awendo	✓	✓	2
Mbugua Gecaga	✓	✓	2

**Key**  
 ✗ Absent  
 ✓ Present

The BNRC's responsibilities have been set by the Board and are outlined in the Board Charter and the Committees terms of reference. The BNRC takes into account the need to recruit and retain valuable Directors in a challenging market environment. The BNRC believes that the Company complies with the main provisions of the Code of Corporate Governance for public listed companies.

This is the inaugural report under the new Companies Act 2015 and the regulations. Accordingly, the Company is presenting the existing remuneration policy with this report. In subsequent reports, the Company will be required to seek a vote on the Remuneration policy where the policy is changed (or an advisory vote on the implementation is not passed).

The Directors' remuneration report is unaudited except where otherwise stated.

#### Regulatory Changes

The Regulatory landscape in Kenya has witnessed a number of changes that have had an impact on the remuneration of Directors and the associated reporting.

In March 2016, the Capital Markets Authority ("CMA") issued the Capital Markets Code for Issuers of Securities ("The Code") which became operational after a year. The Code has outlined various compliance requirements in relation to Directors' Remuneration.

The new Companies Act 2015 was enacted in September 2015 and became operational in June 2016. According to the new Act, the Company is now required to table a Directors' Remuneration Report to its shareholders as part of its audited financial statements.

The Board has adopted a Board Charter and aligned it with the provisions of the Code and the new Companies Act. The Board Charter outlines a guideline on the Directors' Remuneration and Expense Policy.

#### Remuneration for Non-Executive Directors

The Company's Non-Executive Directors' (NEDs) were issued with Directors' Service Contracts in compliance with the requirements of the new Act. These are contracts for service and not contracts for employment. The NEDs are compensated in the form of meeting attendance fees but are not entitled to any pension, bonus or long-term incentive plans.

#### Remuneration for Managing Directors

Mr. Dan who has been the managing director for the last 6 years retired. Jayne Nyokabi was appointed in an acting capacity.

In order for the company to remain afloat after the effects of the Covid 19, in the year 2021, the managing director continued with a salary cut which was introduced in 2020.

The Managing Director's terms of employment were within the Companies HR policies.

#### Link to Strategy

The 2019 to 2021 Strategic plan which intends to transform the group and to achieve an integrated approach to reward, linking Company strategy in the form of the achievement of corporate objectives and individual performance to salary increases and bonus awards.

The major objective of the Group remuneration policy is to ensure that there is a clear link between each employee's individual level of performance and their reward. These, along with other factors such as market positioning and the overall reward budget, go into the annual salary and bonus review process for all employees including the executive team. This ensures that a coordinated and consistent approach is taken - encouraging and supporting a high-performance culture whilst ensuring fairness and transparency across the Group.

To this end, an Integrated Performance Management Framework was rolled out with effect from January 2017.

#### **Pension entitlements**

Only the Managing Director is entitled to participate in the Group's Pension Plan. Participation is restricted to defined monthly contributions that are applicable to permanent employees within the Group. The company is yet to adopt this.

#### **Share options and long-term incentive scheme.**

All Directors are not entitled to any share option arrangement or long-term share incentive schemes.

#### **Payments to past Directors**

There was no payment of Directors' fees to past directors during the year.

The following table shows a single figure remuneration for the Executive Director, Chairman and Non-Executive Directors in respect of qualifying services for the year ended 31 Dec 2021 together with the comparative figures for 2020 for Home Afrika Group.

### **a) Home Afrika Limited**

	<b>Year ended 31 December 2021</b>			
	<b>Name</b>	<b>Salary Kes.</b>	<b>Meeting attendance fees Kes.</b>	<b>Total Kes.</b>
1.	Peter Mungai-Chairperson	-	450,000.00	450,000.00
2.	Mbugua Gecaga	-	350,000.00	350,000.00
3.	Fridah Owinga	-	175,000.00	175,000.00
4.	Luke Kinoti	-	400,000.00	400,000.00
5.	Bertha Mvati	-	300,000.00	300,000.00
6.	Nelson Ashitiva	-	75,000.00	75,000.00
7.	Dan Awendo	14,952,306.18	-	14,952,306.18
8.	Jane Nyokabi	1,020,000.00		1,020,000.00
	<b>TOTAL</b>	<b>14,952,306.18</b>	<b>1,750,000.00</b>	<b>18,742,306.18</b>

Year ended 31 December 2020				
	Name	Salary Kes.	Meeting attendance fees Kes.	Total Kes.
1.	Peter Mungai-Chairperson Up to November 20	-	450,000.00	450,000.00
2.	Mbugua Gecaga	-	300,000.00	300,000.00
3.	Fridah Owinga	-	100,000.00	100,000.00
4.	Luke Kinoti	-	250,000.00	250,000.00
5.	Kendi Ogamba	-	300,000.00	300,000.00
6.	Peter Mungai	-	300,000.00	300,000.00
7.	Dan Awendo	21,083,628.00	-	21,083,628.00
	<b>TOTAL</b>	<b>21,083,628.00</b>	<b>1,850,000.00</b>	<b>22,933,628.00</b>

#### b) Mitini Scapes Development Limited

Year Ended 31 December 2021				
	Name	Salary Kes.	Meeting attendance fees Kes.	Total Kes.
1.	Boniface Kamau - Chairperson	-	-	-
2.	Susan Kasinga	-	50,000.00	50,000.00
3.	Geoffrey Kamau	-	50,000.00	50,000.00
4.	Jack Waihenya	-	-	-
5.	Barth Ragalo	-	-	-
6.	Connie Gakonyo	-	-	-
7.	Mbugua Gecaga	-	50,000.00	50,000.00
8.	Winnie Ngumi	-	50,000.00	50,000.00
	<b>TOTAL</b>	-	<b>200,000.00</b>	<b>200,000.00</b>

## c) Home Afrika Communities Limited

Year Ended 31 December 2021				
	Name	Salary Kes.	Meeting attendance fees Kes.	Total Kes.
1.	Peter Mungai - Chairman	-	1,250,000.00	1,250,000.00
2.	Robert Muchoki	-	990,000.00	990,000.00
3.	Stephen Gichohi	-	1,145,000.00	1,145,000.00
4.	Luke Kinoti	-	900,000.00	675,000.00
5.	Anne Muchoki	-	900,000.00	225,000.00
6.	Michael Matimu	-	900,000.00	250,000.00
7.	Mbugua Gecaga	-	75,000.00	75,000.00
	<b>TOTAL</b>	-	<b>4,610,000.00</b>	<b>4,610,000.00</b>

Year Ended 31 December 2020				
	Name	Salary Kes.	Meeting attendance fees Kes.	Total Kes.
1.	Mike Robert Karanja - Chairman	-	300,000.00	300,000.00
2.	Robert Muchoki	-	885,000.00	885,000.00
3.	Stephen Gichohi	-	995,000.00	995,000.00
4.	Peter Nduati	-	600,000.00	600,000.00
5.	Peter Mungai	-	750,000.00	750,000.00
6.	Anne Muchoki	-	225,000.00	225,000.00
7.	Michael Matimu	-	225,000.00	225,000.00
	<b>TOTAL</b>	-	<b>3,980,000.00</b>	<b>3,980,000.00</b>

## d) Suburban Limited

Year Ended 31 December 2021				
	Name	Salary Kes.	Meeting attendance fees Kes.	Total Kes.
1.	Dr. Mbira Gikonyo- Chairperson	-	214,286.00	214,286.00
2.	Dan Awendo	-	-	-
3.	Geoffrey Luseno	-	214,286.00	214,286.00
	<b>TOTAL</b>		<b>428,572.00</b>	<b>428,572.00</b>

Year Ended 31 December 2020				
	Name	Salary Kes.	Meeting attendance fees Kes.	Total Kes.
1.	Dr. Mbira Gikonyo- Chairperson	-	200,000.00	200,000.00
2.	Dan Awendo	-	-	-
3.	Geoffrey Luseno	-	200,000.00	200,000.00
	<b>TOTAL</b>		<b>400,000.00</b>	<b>400,000.00</b>

This section of the Remuneration Report describes the current policy for Directors' remuneration. It can be summarized as follows:-

### a) Managing Director

#### Base Salary:

Purpose/Link to Corporate: Part of a basic competitive package to retain individuals of the necessary caliber to execute the Company's business strategy

Operation: The Managing Director is entitled to a Salary & Director's fees on the main board meetings. No separate Directors' fees are paid. The salary is reviewed annually in line with the Company's Human Resources plan.

Opportunity: Salary reviews are based on market comparisons and increases to other Group staff. Increases in Managing Director salary is aligned to the average staff increase in the Group.

#### Pension:

Purpose / Link to Corporate: To provide Directors with a long-term savings opportunity; the pension forms part of a basic competitive package to recruit and retain.

Strategy Operation: A Defined Contribution plan for all Managing Directors.

Opportunity: Company contribution as percentage of basic salary up to 7.5%, MD up to 7.5%.

#### Benefits

Purpose / Link to Corporate: To provide Directors with a long-term savings opportunity; the pension forms part of a basic competitive package to recruit and retain.

Strategy Operation: Insured benefits provided as part of Group schemes.

Opportunity: Group Medical Insurance  
Group Life Assurance  
Critical illness cover  
Club membership for business and personal use.

## Annual Bonus Plan

Purpose / Link to Corporate: The bonus payment is implemented in accordance with an approved Compensation Policy

Strategy:	The objective is to incentivize and focus attention on Company KPIs; to reward the achievement of financial, operational and individual targets and provide a competitive performance-related annual earnings opportunity.
Operation:	<p>Profitability Target making up 50% of the bonus. The bonus will be calculated as 5% of net profit after tax for profits up to the amount of profit that was targeted and approved at the beginning of the year. For any profits over and above the profits that were targeted and approved at the beginning of the year, 25% of net profit after tax will be payable into the management bonus pool;</p> <p>Share Value Target making up the balance 50% of the bonus will be at 2% of the differential between company market capitalization between financial year periods. Base price is value per share as at Jan 1st 2018; and</p> <p>The above bonus pools will subsequently be shared amongst management and staff subject to performance criteria established by management year on year. Performance criteria will be based on: -</p> <p>Meeting of KPIs; and Longevity of stay in the company participating in attaining the results.</p>
Opportunity:	The Managing Director's terms of employment were within the Companies HR policies.
Performance Metrics:	<p>Company element based on challenging corporate, operational and financial KPIs. Measures, targets and weightings are set in respect of each financial year.</p> <p>Personal elements based on performance measures set each financial year relevant to the individual's role and accountabilities. Details of the corporate performance measures applicable in the current financial year are contained in the Group Variable Pay pay-out policy. All bonus payments are at the discretion of the Board.</p>

### Executive Share Option Plans

The Company has not introduced Executive Share Option Plans. No plan has been recommended for the next financial year.

## b) Non-Executive Directors Meeting attendance fees

Purpose / Link to Corporate:	Competitive fee to recruit and retain.
Strategy Operation:	The NED fee is a meeting attendance fee that is paid quarterly in arrears.
Opportunity:	<p>Fees are determined in accordance with market practice. The Remuneration Committee recommends the fees payable to the Chairman and other NEDs.</p> <ul style="list-style-type: none"> <li>Meeting attendance fees applies to attendance at Board meetings, Annual General Meeting, Board Committee meetings, Strategic Planning Workshop and Board Training Workshops;</li> <li>The fee structure will pay the Board Chair and the Board Committee Chairs a higher meeting attendance fee than that paid to other Directors in attendance.</li> <li>Directors attending out-of-country Board meetings will be entitled to receive an additional allowance.</li> <li>No additional fees/allowances will be paid over and above the retainer and meeting attendance fees</li> </ul>
Performance Metrics:	None

### **Performance Share plan**

The Company has not introduced any Executive and Non-Executive Performance Share plans.

## **Other Key Policies influencing Directors' Remuneration**

### **a) Recruitment policy**

The Company's philosophy is that all Managing Directors should be remunerated at an appropriate level based on Home Afrika's remuneration policy and taking into account the experience and caliber of the individual. Managing directors are entitled to a salary and Main board meeting attendance fees and not the meeting attendance fees on other committees.

A new non- Managing Director will be entitled to the applicable meeting attendance fees as per the existing compensation schedule on sitting allowance.

### **b) Policy on payment for loss of office**

The Managing Director's employment contract provides for a maximum of 12 months' notice.

On termination of an Managing Director's service contract, the Company's policy is to pay the salary and benefits to which the executive is contractually entitled. There is no contractual entitlement to receive any bonus but depending on the circumstances, the Company may decide to make a bonus payment in respect of the period up to the termination date. It is not the Company's policy to make payments in respect of bonus if the Company is entitled to dismiss a Director for cause.

The letters of appointment for Non-Executive Directors do not provide for any notice period. However, the appointment ceases immediately upon termination by resignation, a resolution of the Board or shareholders and no further remuneration accrues to the Director thereafter.

### **c) Obligations in Service contracts**

There are no obligations to individuals in Directors' Service contracts or Letter of Employment which give rise to entitlement beyond that described in the policy table and the policy on payment for loss of office.

### **d) Discretions retained by the Remuneration Committee**

The Company does not operate any long-term incentive plan such as Share Option Plan, Share Performance plan, etc. Accordingly, there no areas of discretion to disclose.

The BNRC and the Board feel confident that the remuneration policy continues to be appropriate for the Company and will support the implementation of the Group's short term and long-term objectives.

The regulations relating to the Directors' Remuneration Report were gazetted on 15 September 2017. The BNRC plans to develop a Remuneration policy that addresses the requirements set out in the regulations.

## FINANCIAL STRENGTH

### a) Sources of Finance

Home Afrika LTD has currently employed a mix of different sources of finance for its projects.

**Equity:** These are the shareholders contributions. The company is also listed in the NSE GEMS section.

**Retained Earnings:** Home Afrika LTD has over the last several years not paid dividends to the shareholders.

**Debt:** Due to the company's stability and futuristic outlook, the company has been able to acquire loans from financial institutions to fund its project in Migaa and Mitini.

**Strategic Investors:** The Company is currently in the market looking for strategic investors. The outcome has been encouraging with several potential investors expressing interest and are currently undertaking due diligence so as to invest with Home Afrika.

**Property Exchange:** Through the Migaa project, the company has employed a mix of cash payment and property exchange in infrastructure development. This was done for the second phase of roads and golf course construction.

### b) Cost of Financing

The cost of financing has been forming one of the key components of the company's income statement. Home Afrika and its subsidiaries are currently servicing interest on loans, and bond preference share interest. The initial financing was utilized in project acquisition and infrastructure development.

### c) Return on Investment

The company employs a framework to determine return on investment on all projects it undertakes that give a return on investment of 25%. The strategies involve project and pricing committees that employ a research oriented matrix. This helps in :

1. Feasibility study
2. Carrying out due diligence
3. Pricing
4. Cost analysis/ Budget monitoring

### d) Develop Buyer Finance Model

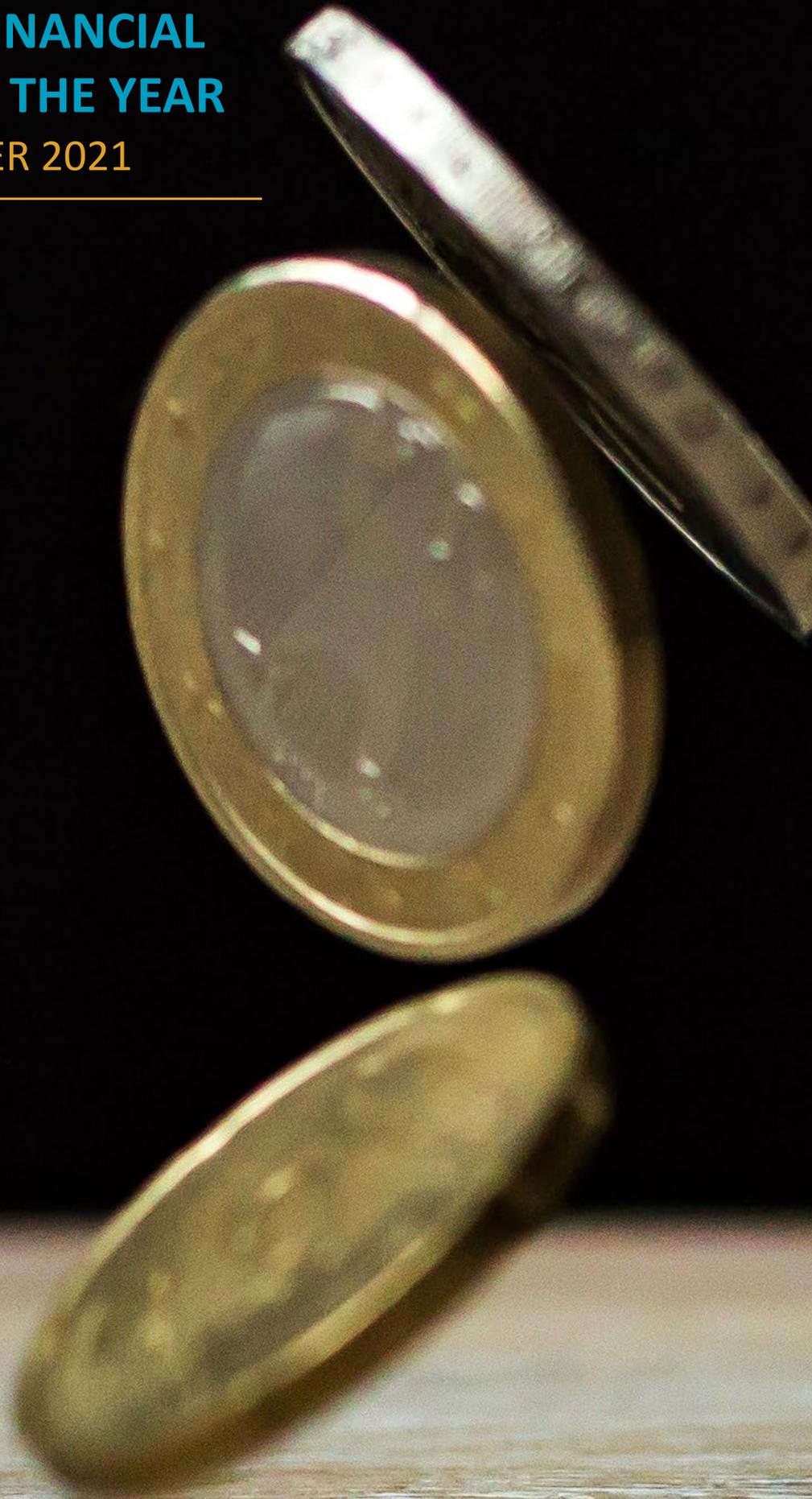
Housing being one of the items in agenda four has elicited an ongoing conversation in the public domain. The government has taken initiatives to enable the citizenry to afford and ease the process of housing and land acquisition including simplifying the tax laws governing the sector.

The sector has greatly benefited from these initiatives. It is worth noting that about 15% of the purchasers in the Migaa project in the year 2020 acquired property in the company through mortgages and other bank financing models. This implies that the other sectors of the economy are taking cue of the changes in the real estate industry.

---

**ANNUAL REPORT AND  
CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE YEAR  
ENDED 31<sup>ST</sup> DECEMBER 2021**

---



**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

---

<b>CONTENTS</b>	<b>PAGE</b>
Company information	100-101
Report of the directors	102-103
Statement of directors' responsibilities	104
Report of the independent auditor	105-107
 <b>FINANCIAL STATEMENTS:</b>	
Consolidated statement of profit or loss and other comprehensive income	108
Company statement of profit or loss and other comprehensive income	109
Consolidated statement of financial position	110
Company statement of financial position	111
Consolidated statement of changes in equity	112
Company statement of change in equity	113
Consolidated statement of cash flows	114
Company statement of cash flows	115
Notes to the financial statements	116 - 150
 <b>The following pages do not form an integral part of these financial statements</b>	
Schedule of expenditure	151

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

---

**COMPANY INFORMATION**

**BOARD OF DIRECTORS**

: Peter Mungai Ndung'u  
: Mbugua Gecaga  
: Luke Mwiti Kinoti  
: Frida Owinga  
: Bertha Mvita  
: Jayne Nyokabi  
: Nelson Ashitiva

**REGISTERED OFFICE**

: Cooperative Bank Registrars Services  
: CIC Plaza, Upper Hill, Wing 2, 1<sup>st</sup> Floor  
: P.O. Box 48231, 00100  
: NAIROBI

**PRINCIPAL PLACE OF BUSINESS**

: Morningside Office Park  
: Ngong Road  
: P.O. Box 6254, 00100  
: NAIROBI

**INDEPENDENT AUDITOR**

: GMK Accountants LLP  
: Certified Public Accountants  
: P.O. Box 8007-00100  
: NAIROBI

**PRINCIPAL BANKERS**

: Kenya Commercial Bank Limited  
: NAIROBI

: I&M Bank Limited  
: NAIROBI

: Cooperative Bank (Kenya) Limited  
: NAIROBI

: Eco Bank Kenya Limited  
: NAIROBI

: Equity Bank Kenya Limited  
: NAIROBI

**LEGAL ADVISORS**

: Muriu Mungai & Company Advocates  
: NAIROBI

: Wainaina Ireri & Co. Advocates  
: NAIROBI

: Robson Harris & Company Advocates

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

---

**COMPANY INFORMATION (CONTINUED)**

**SUBSIDIARIES**

- : Home Afrika Communities Limited  
: NAIROBI
  
- : Mitini Scapes Development Limited  
: NAIROBI
  
- : Migaa Management Limited  
: NAIROBI
  
- : Lake View Heights Development Limited  
: NAIROBI
  
- : Llango Development Limited  
: NAIROBI
  
- : Kikwetu Development Limited  
: NAIROBI
  
- : Kivuli Golf Limited  
: NAIROBI
  
- : Suburban Limited  
: NAIROBI
  
- : Moru Ridge Limited  
: NAIROBI
  
- : Migaa PDS Limited  
: NAIROBI
  
- : Smart Plots Limited  
: NAIROBI

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

**REPORT OF THE DIRECTORS**

The directors submit their report and the audited financial statements for the year ended 31 December 2021, which disclose the state of affairs of the group and the company.

**PRINCIPAL ACTIVITY**

The principal activity of the group is that of real estate development in housing and commercial.

**BUSINESS REVIEW**

During the year 2021 the total turnover of the group increased from Shs. 269,095,810 to Shs. 317,961,160. This is a net effect of less plots sales made in the current year compared to prior year and increase in percentage of completion. The loss for the year decreased from Shs. 340,250,370 to Shs. 75,328,430.

As at 31 December 2021, the net liability position of the group was Shs. 2,356,757,055 compared to Shs. 2,281,428,625 as at 31 December 2020

Key performance indicators	Group		Company	
	2021 Shs	2020 Shs	2021 Shs	2020 Shs
Turnover (Shs)	349,325,969	269,095,810	-	-
Gross profit (Shs)	159,533,330	52,435,038	-	-
Gross profit margin (%)	46%	19%	0%	0%
EBITDA	27,011,673	(110,890,949)	(82,667,098)	(189,239,372)
(Loss) for the year (Shs)	(281,527,190)	(340,250,370)	(87,313,361)	(194,425,088)
Net (liabilities) (Shs)	<u>(2,562,955,815)</u>	<u>(2,282,428,625)</u>	<u>(1,361,516,618)</u>	<u>(1,274,203,257)</u>

**PRINCIPAL RISKS AND UNCERTAINTIES**

The overall business environment continues to remain challenging mainly due to the tough economic environment in the wake of the covid 19 pandemic which had adverse impact on the Real Estate Sector. This led to reduced demand in land and houses and at the same time pressure on prices as developers and real estate agents struggle to offload slow moving stocks. The group focus for now is towards finalising on its flagship projects and at the same time diversifying in short term projects and sale of undeveloped land.

In addition to the business risk(s) discussed above, the company's activities expose it to a number of financial risks which are described in detail in Note 29 to the financial statements.

**DIVIDEND**

The directors do not recommend the declaration of a dividend for the year (2021: Nil).

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

---

**REPORT OF THE DIRECTORS (CONTINUED)**

**DIRECTORS**

The directors who held office during the year and to the date of this report are shown on page 1.

In accordance with the company's Articles of Association, no director is due for retirement by rotation.

**STATEMENT AS TO DISCLOSURE TO THE COMPANY'S AUDITOR**

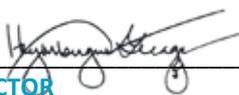
With respect to each director at the time this report was approved:

- (a) there is, so far as the person is aware, no relevant audit information of which the company's auditor is unaware; and
- (b) the person has taken all the steps that the person ought to have taken as a director so as to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**TERMS OF APPOINTMENT OF THE AUDITOR**

The company's auditor, GMK Accountants LLP, has indicated willingness to continue in office in accordance with the company's Articles of Association and Section 719 of the Kenyan Companies Act, 2015. The directors monitor the effectiveness, objectivity and independence of the auditor. The directors also approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees.

**BY ORDER OF THE BOARD**

  
\_\_\_\_\_  
**DIRECTOR**

29 / 04 2022

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

---

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Kenyan Companies Act, 2015 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and of the company as at the end of the financial year and of the group's and company's profit or loss for that year. It also requires the directors to ensure that the company keeps proper accounting records that are sufficient to show and explain the transactions of the group and the company; that disclose, with reasonable accuracy, the financial position of the group and company and group and that enable them to prepare financial statements of the group and the company that comply with International Financial Reporting Standards and the requirements of the Kenya Companies Act, 2015. The directors are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors accept responsibility for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

- i. Designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error;
- ii. Selecting and applying appropriate accounting policies; and
- iii. Making accounting estimates and judgements that are reasonable in the circumstances.

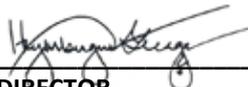
The Directors are of the opinion that the financial statements give a true and fair view of the financial position of the group and of the company as at 31 December 2020 and of the group's and company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, 2015.

In preparing these financial statements the directors have assessed the group's and company's ability to continue as a going concern as set out in Note 1(a) to the financial statements. The directors are of the opinion that the group and its subsidiaries will remain a going concern for at least the next twelve months from the date of this statement based on the factors described in Note 1(a).

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the board of directors on 29 / 04 2022 signed on its behalf by :

  
\_\_\_\_\_  
DIRECTOR

  
\_\_\_\_\_  
DIRECTOR

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**



**REPORT OF THE INDEPENDENT AUDITORS**  
**TO THE MEMBERS OF HOME AFRIKA LIMITED**

**Disclaimer of Opinion**

We were engaged to audit the financial statements of Home Afrika Limited (the "company") and its subsidiaries (collectively referred to as the "consolidated financial statements" and "group") set out on pages 9 to 50, which comprise the consolidated and company statements of financial position as at 31 December 2021, and the consolidated and company statement of profit or loss and other comprehensive income, consolidated and company statement of changes in equity and consolidated and company statement of cash flows for the year then ended, and notes to the consolidated and company financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying consolidated financial statements of the group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

**Basis for Disclaimer of Opinion**

The following matters form the basis for our disclaimer of opinion:

- (i) The financial statements indicate that the group incurred a net loss of Shs. 281,527,190 for the year ended 31 December 2021, and as of that date, the group had net current liabilities of Shs. 2,562,955,815 and a deficiency in shareholders funds of Shs. 2,050,187,287. These conditions indicate that a material uncertainty exists which may cast significant doubt on the group's ability to continue as a going concern. The directors have prepared these financial statements on a going concern basis as described in Note 1. We have not obtained sufficient appropriate audit evidence in respect of the basis and assumptions used by the directors to prepare the financial statements on a going concern basis as the discussions and negotiations with existing lenders and prospective investors as well as transactions related to sale of inventories have not been concluded as of the date of our audit opinion. As a result we were unable to determine whether the use of the going concern assumption is appropriate and, if applicable, to determine whether any adjustments might have been found necessary to the amounts reported in the financial statements should the going concern basis not be appropriate.
- (ii) Included within trade and other receivables is an amount due from a related party amounting to Shs. 343,520,531 which arose as a result of sale of certain inventory to the related party. We have not obtained sufficient appropriate audit evidence in respect of the measurement and recoverability of these transactions and balances. In addition, there was an unreconciled variance of Shs. 9,094,964. In the absence of a reconciliation, we were unable to obtain sufficient appropriate audit evidence as to the validity of these balances and transactions.
- (iii) Included within work in progress are two properties; namely the sports facility and club house with a cumulative cost of Shs. 28,285,376 for which the title is not in the name of the company. No impairment for the properties has been made in the financial statements.

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**



**Basis for Disclaimer of Opinion (continued)**

- (iv) Included within deposit from plot buyers are balances reflected as receivable from plot buyers amounting to Shs. 57,272,454. We have not obtained sufficient appropriate audit evidence on the recoverability of these transactions and balances in the absence of supporting documentation.
- (v) As described in note 15 to the financial statements, included in the inventory are residential apartment blocks that are currently under construction with a carrying value of Shs. 570 million that are subject to foreclosure by the bank for non-payment of the borrowing. We were unable to obtain sufficient appropriate audit evidence as to the adequacy of provision impairment given the uncertainties in completion of the project as reflected Note 15.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. Because of the significance of the matters described in the basis for disclaimer of opinion section, and our consequential disclaimer of opinion, we have not reported on these.

**Responsibilities of Directors for the Financial Statements**

The directors are responsible for the preparation of the consolidated and company financial statements that give a true and fair view in accordance with IFRSs and the requirements of the Kenyan Companies Act, 2015, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and company financial statements, the directors are responsible for assessing the Group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Consolidated and Company Financial Statements**

Our responsibility is to conduct an audit of the Company's financial statements in accordance with International Standards on Auditing and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Kenya, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**



**Report on other matters prescribed by the Kenyan Companies Act, 2015**

As required by the Kenyan Companies Act, 2015, we report to you that subject to the matters referred to in the basis for disclaimer of opinion section of our report on page 15:

- the company and group has kept adequate accounting records and the company's and group's financial statements are in agreement with the accounting records;
- in our opinion the information given in the report of the directors on pages 3 to 4 is consistent with the financial statements; and
- that the auditable part of the directors remuneration report on has been properly prepared in accordance with the Kenyan Companies Act, 2015.

**The engagement partner responsible for the audit resulting in this independent auditor's report is CPA George Mwangi - Practising certificate No. 1622**

A handwritten signature in green ink, appearing to read 'Mwangi G W', is written over a horizontal line.

**For and on behalf of GMK Accountants LLP**  
**Certified Public Accountants**  
**NAIROBI**

**29 / 04**

**2022**

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Notes	2021 Shs	2020 Shs
Revenue from contracts with customers	3	349,325,969	269,095,81
Cost of sales		<u>(189,792,639)</u>	<u>(216,660,772)</u>
<b>Gross profit</b>		159,533,330	52,435,038
Fair value gain on investment property	11	34,617,123	48,747,494
Other operating income	4	19,476,191	18,284,520
Selling and distribution expenses		(15,156,029)	(27,104,095)
Administrative expenses		(136,491,017)	(172,973,285)
Other operating expenses		<u>(42,705,156)</u>	<u>(38,406,042)</u>
<b>Operating profit/ (loss)</b>	5	19,274,442	(119,016,370)
Finance costs	7	<u>(299,485,317)</u>	<u>(219,228,334)</u>
<b>Loss before tax</b>		(280,210,875)	(338,244,704)
Tax charge	8	<u>(1,316,315)</u>	<u>(2,005,666)</u>
<b>Loss for the year</b>		<u>(281,527,190)</u>	<u>(340,250,370)</u>
<b>Total comprehensive loss for the year</b>		<u>(281,527,190)</u>	<u>(340,250,370)</u>
<b>Loss attributable to:</b>			
- Owners of the parent		(291,303,752)	(242,367,756)
- Non-controlling interest		<u>9,776,562</u>	<u>(97,882,614)</u>
		<u>(281,527,190)</u>	<u>(340,250,370)</u>
(Loss) per share (Shs)			
- basic and diluted	9	<u>(0.72)</u>	<u>(0.60)</u>

The notes on pages 116 to 150 form an integral part of these financial statements.

Report of the independent auditor - pages 105-107.

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

**COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Notes	2021 Shs	2020 Shs
Revenue from contracts with customers	3	-	-
Cost of sales		-	-
<b>Gross profit</b>		-	-
Other operating income	4	1,844,000	344,844
Selling and distribution		(2,356,188)	(2,387,270)
Administrative expenses		(76,996,159)	(107,998,967)
Other operating expenses		(9,805,014)	(10,149,448)
Impairment of investment in subsidiary	13	-	(74,234,247)
<b>Operating (loss)</b>		(87,313,361)	(194,425,088)
Finance costs	7	-	-
<b>(Loss) before tax</b>		(87,313,361)	(194,425,088)
Tax	8	-	-
<b>(Loss) for the year</b>		(87,313,361)	(194,425,088)
<b>Total comprehensive (loss) for the year</b>		(87,313,361)	(194,425,088)
(Loss) per share		(0.22)	(0.48)
- Basic	9		

The notes on pages 116 to 150 form an integral part of these financial statements.

Report of the independent auditor - pages 105-107.

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

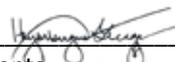
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Notes	As at 31st December	
		2021 Shs	2020 Shs
<b>Non-current assets</b>			
Property and equipment	10	63,514,754	50,128,516
Investment property	11	431,428,103	393,011,656
Intangible assets	12	844,659	1,260,685
Financial assets	14	2,000	2,000
		<u>495,789,516</u>	<u>444,402,858</u>
<b>Current assets</b>			
Inventories	15	3,603,941,198	3,589,102,338
Trade and other receivables	16	435,561,520	404,681,551
Cash and cash equivalents	17	2,210,072	4,415,717
		<u>4,041,712,791</u>	<u>3,998,199,607</u>
<b>Total assets</b>		<u>4,537,502,307</u>	<u>4,442,602,465</u>
<b>Current liabilities</b>			
Deferred income	18	1,022,339,320	1,087,662,457
Trade and other payables	19	1,580,529,828	1,499,537,247
Deposit from sale of plots and units	19	2,179,198,765	2,038,115,264
Borrowings	20	1,320,703,705	1,111,559,093
Private placement bond	21	820,660,028	820,660,028
Deposit for shares	22	158,346,022	158,446,022
Current tax		18,680,453	8,050,979
		<u>7,100,458,122</u>	<u>6,724,031,089</u>
<b>Net current (liabilities)</b>		<u>(3,058,745,331)</u>	<u>(2,725,831,483)</u>
<b>Total liabilities</b>		<u>7,100,458,122</u>	<u>6,724,031,089</u>
<b>Net (liabilities)</b>		<u>(2,562,955,815)</u>	<u>(2,281,428,625)</u>
<b>EQUITY</b>			
Share capital	24	405,255,320	405,255,320
Share premium	25	68,842,038	68,842,038
Accumulated deficit		<u>(2,524,284,645)</u>	<u>(2,232,980,893)</u>
<b>Equity attributed to owners of the company</b>		<u>(2,050,187,287)</u>	<u>(1,758,883,535)</u>
Non-controlling interest		<u>(512,768,528)</u>	<u>(522,545,090)</u>
<b>Total equity</b>		<u>(2,562,955,815)</u>	<u>(2,281,428,625)</u>

The financial statements on pages 19 to 61 were approved and authorised for issue by the Board of Directors on 29 / 04 2022 and were signed on its behalf by:



DIRECTOR



DIRECTOR

The notes on pages 116 to 150 form an integral part of these financial statements.  
 Report of the independent auditor - pages 105-107.

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

**COMPANY STATEMENT OF FINANCIAL POSITION**

		As at 31st December	
		2021	2020
		Shs	Shs
	Notes		
<b>Non-current assets</b>			
Property and equipment	10	52,320,159	55,508,663
Intangible assets	12	844,659	1,260,685
Investment in subsidiaries	13	2,752,000	2,752,000
Financial assets	14	2,000	2,000
		<u>55,918,818</u>	<u>59,523,348</u>
<b>Current assets</b>			
Inventories	15	281,457,867	264,509,622
Trade and other receivables	16	39,890,143	34,106,591
Cash and cash equivalents	17	2,186,731	2,178,776
		<u>323,534,741</u>	<u>300,794,989</u>
<b>Total assets</b>		<u>379,453,559</u>	<u>360,318,337</u>
<b>Current liabilities</b>			
Trade and other payables	19	863,173,109	859,674,786
Deposit from sale of plots and units	19	264,988,526	162,571,160
Private placement bond	21	603,765,207	603,765,205
Borrowings	20	8,688,540	8,155,648
Current tax	8	354,795	354,795
		<u>1,740,970,177</u>	<u>1,634,521,594</u>
<b>Net current liabilities</b>		<u>(1,417,435,436)</u>	<u>(1,333,726,605)</u>
<b>Net assets</b>		<u>(1,361,516,618)</u>	<u>(1,274,203,257)</u>
<b>EQUITY</b>			
Share capital	24	405,255,320	405,255,320
Share premium	25	68,842,038	68,842,038
Accumulated deficit		<u>(1,835,613,976)</u>	<u>(1,748,300,615)</u>
<b>Total equity</b>		<u>(1,361,516,618)</u>	<u>(1,274,203,257)</u>

The financial statements on pages 19 to 61 were approved and authorised for issue by the Board of Directors on 29 / 04 2022 and were signed on its behalf by:



DIRECTOR



DIRECTOR

The notes on pages 116 to 150 form an integral part of these financial statements.  
 Report of the independent auditor - pages 105-107.

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share capital Shs	Share premium Shs	Accumulated Deficit Shs	Total Shs	Non controlling interests Shs	Total equity Shs
<b>Year ended 31 December 2020</b>						
At start of year	405,255,320	68,842,038	(1,990,613,137)	(1,516,515,779)	424,662,476	(1,941,178,255)
Total comprehensive (loss) for the year	-	-	(242,367,756)	(242,367,756)	(97,882,614)	(340,250,370)
At end of year	405,255,320	68,842,038	(2,232,980,893)	(1,758,883,535)	(522,545,090)	(2,281,428,625)
<b>Year ended 31 December 2021</b>						
At start of year	405,255,320	68,842,038	(2,232,980,893)	(1,758,883,535)	(522,545,090)	(2,281,428,625)
Total comprehensive (loss) for the year	-	-	(291,303,752)	(291,303,752)	9,776,562	(281,527,190)
At end of year	405,255,320	68,842,038	(2,524,284,645)	(2,050,187,287)	(512,768,528)	(2,562,955,815)

The notes on pages 116 to 150 form an integral part of these financial statements.

Report of the independent auditor - pages 105-107.

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

**COMPANY STATEMENT OF CHANGES IN EQUITY**

	Share capital Shs	Share premium Shs	Accumulated Deficit Shs	Total Shs
<b>Year ended 31 December 2020</b>				
At start of year	405,255,320	68,842,038	(1,553,875,527)	(1,079,778,169)
Total comprehensive (loss) for the year	-	-	(194,425,088)	(194,425,088)
At end of year	405,255,320	68,842,038	(1,748,300,615)	(1,274,203,257)
<b>Year ended 31 December 2021</b>				
At start of year	405,255,320	68,842,038	(1,748,300,615)	(1,274,203,257)
Total comprehensive (loss) for the year	-	-	(87,313,361)	(87,313,361)
At end of year	405,255,320	68,842,038	(1,835,613,976)	(1,361,516,618)

The notes on pages 116 to 150 form an integral part of these financial.

Report of the independent auditor - pages 105-107.

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	Notes	2021 Shs	2020 Shs
<b>Operating activities</b>			
Cash from operations	26	319,162,594	225,787,536
Interest paid	27	(272,783,349)	(202,911,927)
Tax paid		-	-
Net cash from operating activities		<u>46,379,245</u>	<u>22,875,609</u>
<b>Investing activities</b>			
Cash paid for purchase of property and equipment	10	(21,513,010)	(5,864,006)
Additions to investment property	11	(3,799,324)	(5,522,338)
Proceeds from disposal of property and equipment		694,000	-
Net cash (used in) investing activities		<u>(24,618,333)</u>	<u>(11,136,345)</u>
<b>Financing activities</b>			
Repayment:			
- borrowings		(24,224,153)	(33,024,657)
- deposits for shares		100,000	(5,080,000)
Proceeds		-	2,677,815
- hire purchase		-	11,262,000
- borrowings			
	28	<u>(24,124,153)</u>	<u>(24,164,842)</u>
Net cash (used in) financing activities		<u>(2,363,242)</u>	<u>(12,425,578)</u>
Decrease/(increase) in cash and cash equivalents			
<b>Movements in cash and cash equivalents</b>			
At start of year		(1,437,411)	10,988,166
(Decrease)/increase		<u>(2,363,242)</u>	<u>(12,425,578)</u>
At end of year	17	<u><u>(3,800,653)</u></u>	<u><u>(1,437,411)</u></u>

The notes on pages 116 to 150 form an integral part of these financial statements.

Report of the independent auditor - pages 105-107.

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

**COMPANY STATEMENT OF CASH FLOWS**

	Notes	2021 Shs	2020 Shs
<b>Operating activities</b>			
Cash from operations	26	625,062	(10,167,650)
Interest paid	27	-	-
		<hr/>	<hr/>
Net cash from/(used in) operating activities		625,062	10,167,650
<b>Investing activities</b>			
Cash paid for purchase of property and equipment	10	(1,750,000)	(4,818,560)
Cash paid for purchase of intangible assets	12	-	-
Proceeds from disposal of property and equipment		600,000	250,000
		<hr/>	<hr/>
Net cash (used in) investing activities		(1,150,000)	(4,568,560)
<b>Financing activities</b>			
Proceeds from borrowings		-	2,677,815
		<hr/>	<hr/>
Net cash from financing activities		-	2,677,815
		<hr/>	<hr/>
(Decrease)/increase in cash and cash equivalents		(524,936)	(12,058,395)
<b>Movements in cash and cash equivalents</b>			
At start of year		(3,299,058)	8,759,337
(Decrease)/increase		(524,936)	(12,058,395)
		<hr/>	<hr/>
At end of year	17	(3,823,994)	(3,299,058)
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 116 to 150 form an integral part of these financial statements.

Report of the independent auditor - pages 105-107.

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

---

**NOTES**

**1. SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements comply with the requirements of the Kenyan Companies Act, 2015. The statement of profit or loss and statement of comprehensive income represent the profit and loss account referred to in the Act. The statement of financial position represents the balance sheet referred to in the Act.

**a) Basis of preparation**

The consolidated financial statements have been prepared under the historical cost convention, except as indicated otherwise below and are in accordance with International Financial Reporting Standards (IFRS). The historical cost convention is generally based on the fair value of the consideration given in exchange of assets. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the group takes into account the characteristics of the asset or liability if market participants would take those characteristics into when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Transfer between levels of the fair value hierarchy are recognised by the directors at the end of the reporting period during which the change occurred.

**Going concern**

The financial performance of the group is set out in the Director's report and in the statement of profit or loss and the other comprehensive income. The financial position of the group is set out in the statement of financial position. Disclosures in respect of risk management and capital management are set out in notes 29 and 30 to the financial statements.

During the year ended 31 December 2021, the group recognised a net loss of Shs. 281 million (2020: Shs. 340 million). The statement of financial position also indicates a deficiency in shareholders' funds of Shs. 2.051 billion (2020: Shs. 1.758 billion) and net current liabilities of Shs. 2.564 billion (2020: Shs. 2.281 billion). However, included in the current liabilities are deposits for sale of plots and units as well as deferred income of Shs. 2.179 billion and Shs. 1.022 billion respectively. There is little likelihood of these liabilities being paid out. Indications are that they will translate to revenues as the level of project completion improves.

As disclosed in Note 20, 21 and 22, the group is in default on payment on some borrowings, private placement bond and deposit for shares. The directors are currently engaging with the group lenders on restructuring of the current borrowing facilities and also with prospective investors to raise additional funds.

Based on the anticipated success of the negotiations above, the directors consider it appropriate to prepare the financial statements of the group and company on a going concern basis.

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

---

**NOTES (CONTINUED)**

**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**a) Basis of preparation (continued)**

**New standards, amendments and interpretations adopted by the group**

The company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. The company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

**Conceptual Framework for Financial Reporting issued on 29 March 2018**

The revised conceptual framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the financial statements of the company.

**Amendments to IAS 1 and IAS 8 Definition of Material (issued in October 2018)**

The amendments, applicable to annual periods beginning on or after 1 January 2021, clarify the definition of material and how it should be applied by including in the definition guidance that previously featured elsewhere in IFRS.

**Amendments to IFRS 3: Definition of a Business (issued in October 2018)**

The amendments, applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period, clarify the definition of a business, with the objective of assisting entities to determine whether a transaction should be accounted for as a business combination or an asset acquisition. These amendments had no impact on the financial statements of the company, but may impact future periods should the company enter into any business combinations.

**Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform (issued in September 2019)**

The amendments, applicable to annual periods beginning on or after 1 January 2020, provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the financial statements of the company as it does not have any interest rate hedge relationships.

**Amendments to IFRS 16 Covid-19 Related Rent Concessions (issued on 28 May 2020)**

The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the financial statements of the company.

**New standards, amendments and interpretations issued but not effective**

At the date of authorisation of these financial statements the following standards and interpretations, which have not been applied in these consolidated financial statements, were in issue but not yet effective for the year presented:

- Amendments to IAS 1 'Classification of Liabilities as Current or Non-current (issued in January 2020), effective for annual periods beginning on or after 1 January 2023, clarify a criterion for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement for at least 12 months after the reporting date.

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

---

**NOTES (CONTINUED)**

**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**a) Basis of preparation (continued)**

**New standards, amendments and interpretations issued but not effective (continued)**

- Amendments to IAS 16 'Property, Plant and Equipment: Proceeds before Intended Use' (issued in May 2020), effective for annual reporting periods beginning on or after 1 January 2022 prohibit entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.
- Amendments to IAS 37 'Onerous Contracts – Costs of Fulfilling a Contract' (issued in May 2020), effective for annual reporting periods beginning on or after 1 January 2022, specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.
- Amendment to IAS 41 Agriculture 'Taxation in fair value measurements' (issued in May 2020), effective for annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted, removes the requirement that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.
- Amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards Subsidiary as a first-time adopter' (issued in May 2020), effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted, permits a subsidiary to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply IFRS 1.
- Amendments to IFRS 3 Business Combinations - The amendments added an exception to the the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. The amendments also clarify that contingent assets do not qualify for recognition at the acquisition date. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.
- Amendment to IFRS 9 Financial Instruments 'Fees in the '10 per cent' test for derecognition of financial liabilities' (issued in May 2020), effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted, clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the lender, including fees paid or received by either the borrower or lender on the other's behalf.
- Amendments to IFRS 10 and IAS 28 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture' (issued in September 2014), applicable from a date yet to be determined, address a current conflict between the two standards and clarify that a gain or loss should be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business.
- IFRS 17 'Insurance Contracts' (issued in May 2017), effective for annual periods beginning on or after 1 January 2023, establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. The objective is to ensure that entities provide relevant information in a way that faithfully represents those contracts. The company does not issue insurance contracts.

The directors do not expect that adoption of these standards and interpretations will have a material impact on the financial statements in future periods. The company plans to apply the changes above from their effective dates.

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

---

**NOTES (CONTINUED)**

**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**b) Significant accounting judgements, estimates and assumptions (continued)**

In the application of the accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Such estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The directors have made the following assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The assumptions and judgements set-out below do not consider the full potential impact of the recent coronavirus outbreak as it is too early at this stage to predict the full potential impact of this on the financial statements of the company.

**- Measurement of expected credit losses (ECL):**

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL

ECLs are measured as the probability-weighted present value of expected cash shortfalls over the remaining expected life of the financial instrument.

The measurement of ECLs are based primarily on the product of the instrument's Probability of Default (PD), Loss Given Default (LGD), and Exposure At Default (EAD).

The ECL model applied for financial assets other than trade receivables contains a three-stage approach that is based on the change in the credit quality of assets since initial recognition.

- Stage 1 - If, at the reporting date, the credit risk of non-impaired financial instruments has not increased significantly since initial recognition, these financial instruments are classified in Stage 1, and a loss allowance that is measured, at each reporting date, at an amount equal to 12-month expected credit losses is recorded.
- Stage 2 - When there is a significant increase in credit risk since initial recognition, these non-impaired financial instruments are migrated to Stage 2, and a loss allowance that is measured, at each reporting date, at an amount equal to lifetime expected credit losses is recorded. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the ECL model requires reverting to recognition of 12-month expected credit losses.
- When one or more events that have a detrimental impact on the estimated future cash flows of a financial asset have occurred, the financial asset is considered credit-impaired and is migrated to Stage 3, and an allowance equal to lifetime expected losses continues to be recorded or the financial asset is written off.

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

---

**NOTES (CONTINUED)**

**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**b) Significant accounting judgements, estimates and assumptions (continued)**

**Assessment of significant increase in credit risk:** The determination of a significant increase in credit risk takes into account many different factors including a comparison of a financial instruments credit risk or PD at the reporting date and the credit or PD at the date of initial recognition. IFRS 9 however includes rebuttable presumptions that contractual payments are overdue by more than 30 days will represent a significant increase in credit risk (stage 2) and contractual payments that are more than 90 days overdue will represent credit impairment (stage 3). The company uses these guidelines in determining the staging of its assets unless there is persuasive evidence available to rebut these presumptions.

For trade receivables, the company has applied the simplified model under IFRS 9 where lifetime expected credit loss allowance is recognised on the basis of a provisioning matrix.

**- Useful lives, depreciation methods and residual values of property, plant and equipment and intangible assets**

Management reviews the useful lives, depreciation methods and residual values of the items of property, plant and equipment, intangible assets and right-of-use assets on a regular basis. During the financial year, the directors determined no significant changes in the useful lives and residual values. The carrying amounts of property, plant and equipment, right-of-use assets and intangible assets are disclosed in notes 10 and 12 respectively.

**- Investment property**

The company holds land that is for designated development and sale and land that is as of the balance sheet date not designated for any specific future use. Under the requirement of IAS 40 on Investment Property, land that is held without any designated future use is classified as Investment Property and measured at fair value in accordance with the accounting policy set-out below.

**- Impairment of trade receivables**

The company reviews their portfolio of trade receivables on an annual basis. In determining whether receivables are impaired, the management makes judgement as to whether there is any evidence indicating that there is a measurable decrease in the estimated future cash flows expected.

**- Fair value measurement and valuation process**

In estimating the fair value of an asset or a liability, the group uses market-observable data to the extent it is available. Where level 1 inputs are not available, the group makes use of financial models or engages third party qualified values to perform the valuation and provide inputs to the model. issue.

**c) Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of property and provision of services in the ordinary course of business and is stated net of rebates and discounts.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the specific criteria have been met for each of the company's activities as described below. The amount of revenue is not considered to be reliably measured until all contingencies relating to the sale have been resolved.

The company evaluates each transaction to determine whether there are any separately identified components. Revenue is recognised as follows:

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

**NOTES (CONTINUED)**

**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**c) Revenue recognition (continued)**

- i) Revenue from sale of land is recognised when the transaction with the buyer is substantially complete which coincides with the transfer to the buyer of the significant risks and rewards of ownership and the entity retaining neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the land. Remaining revenue relating to infrastructure construction is recognised using the percentage of completion method.  
Interest income is accrued by reference to time in relation to the principal outstanding and the effective interest rate
- ii) applicable.
- iii) Dividend income is recognised when the shareholders right to receive payment has been established
- iv) Rental income is accrued by reference to time on a straight line basis over the lease term

**d) Investment in subsidiaries/Consolidation**

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies. Control is achieved when the company; has power over the trustee; is exposed or has right to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

The group also assesses the existence of control where it does not have a majority of the voting rights power but is able to govern the financial and operating policies of a subsidiary. Control may arise in certain circumstances where including the size of the group's voting rights relative to the size and dispersion of holdings of other shareholders give the group the power to govern the financial and operating policies, where potential voting rights are held by the company and rights from other contractual arrangements etc.

Intra-group balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary adjustments are made to financial statements of subsidiary to bring their accounting policies into line with the groups accounting policy.

**e) Property and equipment**

All property and equipment is initially recorded at cost and thereafter stated at historical cost less depreciation. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Depreciation on assets is calculated on the reducing balance basis method to write down the cost of each asset, or the revalued amount, to its residual value over its estimated useful life using the following annual rates:

	<b>Rate %</b>
Buildings	2.50 (straight line)
Motor vehicles	25.00
Tractor	37.50
Computer equipment	30.00
Office equipment	12.50
Furniture and fittings	12.50

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

---

**NOTES (CONTINUED)**

**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**e) Property and equipment (continued)**

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of property and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit/loss.

**f) Investment property**

Investment property is long-term investments in land that are not occupied substantially for own use. Land held with an undetermined future use is also classified as investment property. Investment property is initially recognised at cost and subsequently carried at fair value representing open market value at the reporting date. Changes in fair value are recorded in profit or loss based on the percentage of completion as described in note (c) above.

Subsequent expenditure on investment property where such expenditure increases the future economic value in excess of the original assessed standard of performance is added to the carrying amount of the investment property. All other expenditure is recognised as an expense in the year which it is incurred.

Gains and losses on disposal of investment property is determined by reference to their carrying amount and are taken into account in determining operating profit/(loss).

**g) Intangible assets**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

**Computer software**

Computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives which are estimated to be 5 years. Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the company, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets.

**h) Financial instruments**

Financial instruments are recognised when, and only when, the company becomes party to the contractual provisions of the instrument. All financial assets are recognised initially using the trade date accounting which is the date the company commits itself to the purchase or sale.

- **Financial assets**

The company classifies its financial assets into the following categories:

**i) Amortised cost;**

Financial assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows, and for which the contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding and are not designated at Fair Value Through Profit or Loss (FVTPL), are classified and measured at amortised cost; The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured.

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

**NOTES (CONTINUED)**

**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**h) Financial Instruments (continued)**

**ii) Fair Value Through Other Comprehensive Income (FVTOCI):**

Financial assets that are held for collection of contractual cash flows where these cash flows comprise SPPI and also for liquidating the assets depending on liquidity needs and that are not designated at FVTPL, are classified and measured at value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for recognition of impairment gain or losses, interest revenue and foreign exchange gain and losses. Gains and losses previously recognised in OCI are reclassified from equity to profit or loss on disposal of such instruments. Gains and losses related to equity instruments are not reclassified.

**iii) Fair Value Through Profit or Loss (FVTPL):**

Financial assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measure at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the profit or loss statement.

Notwithstanding the above, the company may:

- on initial recognition of an equity investment that is not held for trading, irrevocably elect to classify and measure it at fair value through other comprehensive income
- on initial recognition of a debt instrument, irrevocably designate it as classified and measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

The loss allowance is measured at an amount equal to the lifetime expected credit losses for trade receivables and for financial instruments for which:

- the credit risk has increased significantly since initial recognition; or
- there is observable evidence of impairment (a credit-impaired financial asset).

If, at the reporting date, the credit risk on a financial asset other than a trade receivable has not increased significantly since initial recognition, the loss allowance is measured for that financial instrument at an amount equal to 12-month expected credit losses. All changes in the loss allowance are recognised in profit or loss as impairment gains or losses.

Lifetime expected credit losses represent the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses represent the portion of lifetime expected credit losses that result from default events on a financial asset that are possible within 12 months after the reporting date.

Expected credit losses are measured in a way that reflects an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

All financial assets are classified as non-current except those that are held for trading, those with maturities of less than 12 months from the balance sheet date, those which management has the express intention of holding for less than 12 months from the reporting date or those that are required to be sold to raise operating capital, in which case they are classified as current assets.

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

---

**NOTES (CONTINUED)**

**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**h) Financial Instruments (continued)**

**Financial liabilities**

Financial liabilities that are held for trading (including derivatives), financial guarantee contracts, or commitments to provide a loan at a below-market interest rate are classified and measured at fair value through profit or loss. The company may also, on initial recognition, irrevocably designate a financial liability as at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

All other financial liabilities are classified and measured at **amortised cost**.

**i) Inventories**

Inventories comprise of land and developments held for sale and is stated at the lower of cost and net realisable value. Cost is determined by the first-in-first-out (FIFO) basis and comprises all costs attributable to purchase of the land and direct cost for the development of common amenities and related service costs including finance costs.

**j) Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

**k) Share capital**

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

**l) Share premium**

Share premium represents the amount received by the company over the par value of the ordinary shares issued.

Deposits received for ordinary and preference shares are also classified as liabilities. On allotment of ordinary shares, the amounts are reclassified to equity.

**m) Dividend**

Proposed dividends are disclosed as a separate component of equity until declared.

Dividends are recognised as a liability in the period in which they are approved by the group's shareholders.

**n) Taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the comprehensive income or in equity.

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

---

**NOTES (CONTINUED)**

**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**n) Taxation (continued)**

**Current tax**

Current tax is provided on the results for the year, adjusted in accordance with tax legislation.

**Deferred tax**

Deferred tax is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised.

**o) Accounting for leases**

**The group as lessee**

On the commencement date of each lease (excluding leases with a term, on commencement, of 12 months or less and leases for which the underlying asset is of low value) the group recognises a right-of-use asset and a lease liability. Also excluded from such measurement are leases of land held as inventory for sale in the ordinary course of business which are carried as inventory and revenue therefrom accounted for under revenue accounting policy.

The lease liability is measured at the present value of the lease payments that are not paid on that date. The lease payments include fixed payments, variable payments that depend on an index or a rate, amounts expected to be payable under residual value guarantees, and the exercise price of a purchase option if the group is reasonably certain to exercise that option. The lease payments are discounted at the interest rate implicit in the lease. If that rate cannot be readily determined, the group's incremental borrowing rate is used.

For leases that contain non-lease components, the group allocates the consideration payable to the lease and non-lease components based on their relative stand-alone components.

The right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability, any lease payments made on or before the commencement date, any initial direct costs incurred, and an estimate of the costs of restoring the underlying asset to the condition required under the terms of the lease.

Subsequently the lease liability is measured at amortised cost, subject to remeasurement to reflect any reassessment, lease modifications, or revised fixed lease payments.

For leases with a term, on commencement, of 12 months or less and leases for which the underlying asset is of low value, the total lease payments are recognised in profit or loss on a straight-line basis over the lease period.

**p) Retirement benefit obligations**

The group and its employees contribute to the National Social Security Fund (NSSF), a statutory defined contribution scheme registered under the NSSF Act. The company's contributions to the defined contribution scheme are charged to profit or loss in the year to which they relate. The company has no further obligation once the contributions have been paid.

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

---

**NOTES (CONTINUED)**

**q) Borrowing costs**

Borrowing costs that are attributable to acquisition, construction or production of a qualifying asset are capitalised as part of the asset based either on actual cost on specific borrowings or, in the case of general borrowings, based on a weighted average cost.

Capitalisation of borrowing costs ceases when all activities necessary to prepare the asset for its intended use or sale are complete. All other borrowing costs are recognised in profit or loss.

**r) Comparatives**

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

**NOTES (CONTINUED)**

**2. Segmental reporting**

The group is engaged in the business of development and sale of real estate and related activities. This business is conducted through different subsidiaries representing separate projects of the group. The basis of reporting the performance of the group for resource allocation purposes to the board of directors (which represents the chief operating decision maker for the purposes of segmental reporting) is on a company by company basis.

While certain group companies are involved in post real-estate development activities such as provision of services to occupiers etc, these activities are not material to the group as a whole and therefore not separately disclosable.

In respect of the primary operations of real estate development and sale, all activities of the group are carried out within a single economic area being Kenya and are therefore subject to common economic characteristics. These operations are therefore aggregated together, along with the immaterial related activities discussed in the preceding paragraph such that the group's activities comprises a single operating segment. The financial results for the operations of the group are presented to the board are the same as the measures of operating profit and profit before tax as presented in the statement of profit or loss and other comprehensive income. All the assets and liabilities of the group represent the single overall aggregated segment.

As its geographic operations are confined to a single country, no disclosures by geography are applicable. All revenue, costs, assets and liabilities arise and are held in Kenya.

**3. Revenue from contracts with customers**

	Group		Company	
	2021 Shs	2020 Shs	2021 Shs	2020 Shs
Recognised over time:				
-Revenue from sale of property	<u>349,325,969</u>	<u>269,095,810</u>	<u>-</u>	<u>-</u>

**4. Other operating income**

Rental income	5,888,800	8,540,467	-	-
Gain on disposal of property and equipment	-	184,927	-	-
Other income	<u>13,587,391</u>	<u>9,559,126</u>	<u>1,844,000</u>	<u>159,917</u>
	<u>19,476,191</u>	<u>18,284,520</u>	<u>1,844,000</u>	<u>344,844</u>



**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

	Group		Company	
	2021 Shs	2020 Shs	2021 Shs	2020 Shs
Current tax	1,316,315	2,005,666	-	-
Deferred tax (credit)/charge (Note 24)	-	-	-	-
	1,316,315	2,005,666	-	-
	(280,210,875)	(338,244,704)	(87,313,361)	(194,425,088)
(Loss) before tax	(84,063,263)	(101,473,411)	(26,194,008)	(58,327,526)
Tax calculated at a tax rate of 25% (2019: 30%)	(92,428,300)	53,162,569	653,376	662,557
Tax effect of:				
- income and expenses not taxable/allowable				
- tax losses and other temporary differences on which deferred tax has not been recognised				
- Deferred tax for prior year written off	177,807,878	50,316,508	25,344,636	57,664,969
	1,316,315	2,005,666	-	-
	(291,303,752)	(242,367,756)	(87,313,361)	(194,425,088)
Net (loss) attributable to shareholders	405,255,320	405,255,320	405,255,320	405,255,320
Weighted average number of ordinary shares	(0.72)	(0.60)	(0.22)	(0.48)
(Loss) per share - basic and diluted				

**9. (Loss) per share**

Basic group loss per share is calculated by dividing the loss attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year.

Net (loss) attributable to shareholders

Weighted average number of ordinary shares

(Loss) per share - basic and diluted

**NOTES (CONTINUED)**

**8. Tax**

The tax on the group's (loss) before tax differs from the theoretical amount that would arise using the basic rate as follows:

(Loss) before tax

Tax calculated at a tax rate of 25% (2019: 30%)

Tax effect of:

- income and expenses not taxable/allowable
- tax losses and other temporary differences on which deferred tax has not been recognised
- Deferred tax for prior year written off

**9. (Loss) per share**

Basic group loss per share is calculated by dividing the loss attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year.

Net (loss) attributable to shareholders

Weighted average number of ordinary shares

(Loss) per share - basic and diluted

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

**NOTES (CONTINUED)**  
**10. Property and equipment**

<b>Group</b>	<b>Building Shs</b>	<b>Tractor Shs</b>	<b>Motor vehicles Shs</b>	<b>Computer equipment Shs</b>	<b>Furniture and fittings Shs</b>	<b>Office equipment Shs</b>	<b>Total Shs</b>
<b>Year ended 31 December 2021</b>							
<b>Cost</b>							
At start of year	33,138,104	6,137,686	13,384,735	10,267,765	22,235,208	31,480,639	116,644,137
Additions	-	19,278,835	1,381,830	560,000	83,196	209,149	21,513,010
Disposal	-	-	(1,266,690)	-	-	-	(1,266,690)
At end of year	33,138,104	25,416,521	13,499,875	10,827,765	22,318,404	31,689,788	136,890,457
<b>Depreciation</b>							
At start of year	12,946,657	4,983,897	8,961,202	7,629,764	13,603,985	18,471,291	66,596,796
Charge for the year	1,424,863	1,933,641	1,256,397	842,885	1,030,688	777,06	7,265,537
Disposal	-	-	(486,630)	-	-	-	(486,630)
At end of year	14,371,521	6,917,539	9,730,969	8,472,649	14,634,673	19,248,353	73,375,703
<b>Net book value</b>	<b>18,766,583</b>	<b>18,498,982</b>	<b>3,768,906</b>	<b>2,355,116</b>	<b>7,683,731</b>	<b>12,441,435</b>	<b>63,514,754</b>
<b>Year ended 31 December 2020</b>							
<b>Cost</b>							
At start of year	33,138,104	6,137,686	9,320,314	9,318,640	21,955,371	31,077,954	110,948,069
Additions	-	-	4,232,360	949,125	279,836	402,685	5,864,006
Disposal	-	-	(86,764)	-	-	-	(86,764)
At end of year	33,138,104	6,137,686	13,384,735	10,267,765	22,235,208	31,480,639	116,725,312
<b>Depreciation</b>							
At start of year	11,521,794	4,291,624	7,606,120	6,687,329	12,425,492	16,581,640	59,114,000
Charge for the year	1,424,863	692,273	1,376,773	942,435	1,178,493	1,889,650	7,504,487
Disposal	-	-	(21,691)	-	-	-	(21,691)
At end of year	12,946,657	4,983,897	8,961,202	7,629,764	13,603,985	18,471,291	66,596,796
<b>Net book value</b>	<b>20,191,447</b>	<b>1,153,789</b>	<b>4,504,708</b>	<b>2,638,001</b>	<b>8,631,223</b>	<b>13,009,348</b>	<b>50,128,516</b>

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

Company	Building Shs	Motor vehicles Shs	Computer equipment Shs	Furniture and fittings Shs	Office equipment Shs	Total Shs
<b>Year ended 31 December 2021</b>						
<b>Cost</b>						
At start of year	56,994,527	9,093,220	6,823,225	17,311,148	5,737,215	95,959,335
Additions	-	1,250,000	500,000	-	-	1,750,000
Disposal	-	(1,150,000)	-	-	-	(1,150,000)
At end of year	56,994,527	9,193,220	7,323,225	17,311,148	5,737,215	96,559,335
<b>Depreciation</b>						
At start of year	15,674,874	5,022,610	5,074,720	11,131,626	3,546,842	40,450,672
Charge for the year	1,424,863	1,199,944	624,801	772,440	273,797	4,295,845
Disposal	-	(441,732)	-	-	-	(441,732)
At end of year	17,099,737	5,780,822	5,699,521	11,904,066	3,820,639	44,304,785
<b>Net book value</b>	39,894,790	3,412,398	1,623,704	5,407,082	1,916,576	52,254,550
<b>Year ended 31 December 2020</b>						
<b>Cost</b>						
At start of year	56,994,527	4,947,624	6,260,225	17,311,148	5,714,015	91,227,539
Additions	-	4,232,360	563,000	-	23,200	4,818,560
Disposal	-	(86,764)	-	-	-	(86,764)
At end of year	56,994,527	9,093,220	6,823,225	17,311,148	5,737,215	95,959,335
<b>Depreciation</b>						
At start of year	14,250,011	3,783,306	4,391,218	10,248,837	3,234,208	35,907,580
Charge for the year	1,424,863	1,260,995	683,502	882,78	312,634	4,564,783
Disposal	-	(21,691)	-	-	-	(21,691)
At end of year	15,674,874	5,022,610	5,074,720	11,131,626	3,546,842	40,450,672
<b>Net book value</b>	41,319,653	4,070,610	1,748,505	6,179,522	2,190,373	55,508,663

**NOTES (CONTINUED)**

**10. Property and equipment (continued)**

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

**NOTES (CONTINUED)**

**11. Investment property**

<b>Group</b>	<b>Year ended 31 December 2021</b>	<b>Year ended 31 December 2020</b>
<b>Cost</b>		
At start of year	38,330,779	393,011,656
Additions	3,799,324	3,799,324
Fair value gain	34,617,123	34,617,123
At end of year	42,130,103	431,428,103
<b>Cost</b>		
At start of year	32,808,441	338,741,824
Additions	5,522,338	5,522,338
Fair value gain	48,747,494	48,747,494
Transfers to inventories	-	-
At end of year	38,330,779	393,011,656

The fair value of investment property comprising buildings was determined by reference to the market prices of similar properties of the type and in the area in which the property is situated. The valuation was carried out by an independent professional valuer with recent experience in the location and category of the investment property being valued.

The fair value of the group's land investment properties are determined periodically by an independent professionally qualified valuer adjusted by management to reflect the current stage of completion of the project. In determining the valuations the valuer refers to current market conditions including recent sales transactions of similar properties. In estimating the fair value of the properties, the highest and best use of the property is their use at the end of the project development adjusted by the completion factor to reflect the condition as of the balance sheet date. There has been no change in the valuation technique used during the year.

<b>Fair value hierarchy</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Fair value</b>
<b>Group:</b>	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>
Land held as investment property	-	-	431,428,103	431,428,103

The fair valuation of the investment property is included as a level 3 valuation based on a significant non-observable input being the stage of completion of the project development within which the investment property resides which therefore has a material impact on the fair valuation as of the date of the statement of financial position. The percentage of completion used for this valuation is 59.80% as at 31 December 2021 (54.65% as at 31 December 2020). Management does not expect there to be a material sensitivity to the value of the investment property as the percentage of completion is based on qualified professional assessments of the project development.

The table above presents the changes in the carrying value of the investment property arising from these fair valuation assessments.

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

**COMPANY STATEMENT OF CASH FLOWS**

**NOTES (CONTINUED)**

**12. Intangible assets**

<b>Group</b>	<b>Computer Software Shs</b>	<b>Website costs Shs</b>	<b>Total Shs</b>
<b>Year ended 31 December 2021</b>			
<b>Cost</b>			
At end of year	<u>10,508,836</u>	<u>1,183,800</u>	<u>11,692,636</u>
<b>Amortisation</b>			
At start of year	9,248,151	1,183,800	10,431,951
Amortisation for the year	<u>416,026</u>	<u>-</u>	<u>416,026</u>
At end of year	<u>9,664,177</u>	<u>1,183,800</u>	<u>10,847,977</u>
<b>Net book value</b>	<u>844,659</u>	<u>-</u>	<u>844,659</u>
<b>Year ended 31 December 2020</b>			
<b>Cost</b>			
At start of year	10,508,836	1,183,800	11,692,636
Additions	<u>-</u>	<u>-</u>	<u>-</u>
At end of year	<u>10,508,836</u>	<u>1,183,800</u>	<u>11,692,636</u>
<b>Amortisation</b>			
At start of year	8,627,216	1,183,800	9,811,016
Amortisation for the year	<u>620,935</u>	<u>-</u>	<u>620,935</u>
At end of year	<u>9,248,151</u>	<u>1,183,800</u>	<u>10,431,951</u>
<b>Net book value</b>	<u>1,260,685</u>	<u>-</u>	<u>1,260,685</u>
<b>Company</b>			
	<b>Computer Software</b>		
	<b>2021</b>	<b>2020</b>	
	<b>Shs</b>	<b>Shs</b>	
<b>Cost</b>			
At start of year	10,508,836	10,508,836	
Additions	<u>-</u>	<u>-</u>	
At end of year	<u>10,508,836</u>	<u>10,508,836</u>	
<b>Amortisation</b>			
At start of year	9,248,151	8,627,216	
Amortisation for the year	<u>416,026</u>	<u>620,935</u>	
At end of year	<u>9,664,177</u>	<u>9,248,151</u>	
<b>Net book value</b>	<u>844,659</u>	<u>1,260,685</u>	

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

**NOTES (CONTINUED)**  
**13. Investments in subsidiaries**

Company Name	Country of incorporation	Holding		Company	
		2021	2020	2021 Shs	2020 Shs
Suburban Limited	Kenya	50%	50%	100,000	74,334,247
Mitini Scapes Development Limited	Kenya	100%	100%	100,000	100,000
Lakeview Heights Development Limited	Kenya	100%	100%	100,000	100,000
Lango Development Limited	Kenya	100%	100%	100,000	100,000
Kikwetu Limited	Kenya	100%	100%	100,000	100,000
Smart Plots Limited	Kenya	100%	100%	100,000	100,000
Home Afrika Communities Limited	Kenya	60%	60%	2,100,000	2,100,000
Migaa Management Limited	Kenya	52%	52%	52,000	52,000
Less: Provision for impairment of subsidiary				-	(74,234,247)
				<u>2,752,000</u>	<u>2,752,000</u>

The composition of the group is as follows:

Name	Country of incorporation	Proportion of ownership interest		Proportion owned via subsidiary companies		Principal Activities	Wholly or non-wholly owned subsidiary
		2021	2020	2021 Shs	2020 Shs		
Mitini Scapes Development Limited	Kenya	100%	100%	-	-	Development and sale of real estate	Wholly
Lakeview Heights Development Limited	Kenya	100%	100%	-	-	Development and sale of real estate	Wholly
Lango Development Limited	Kenya	100%	100%	-	-	Development and sale of real estate	Wholly
Kikwetu Limited	Kenya	100%	100%	-	-	Development and sale of real estate	Wholly
Smart Plots Limited	Kenya	100%	100%	-	-	Development and sale of real estate	Wholly
Home Afrika Communities Limited	Kenya	60%	60%	-	-	Development and sale of real estate	Non-wholly
Suburban Limited	Kenya	50%	50%	-	-	Development and sale of real estate	Non-wholly
Migaa Management Limited	Kenya	52%	52%	-	-	Development and sale of real estate	Non-wholly
Moru Ridge Limited	Kenya	-	-	60%	60%	Development and sale of real estate	Non-wholly
Kivuli Golf Limited	Kenya	-	-	60%	60%	Development and sale of real estate	Non-wholly
Migaa PDS Limited	Kenya	-	-	60%	60%	Development and sale of real estate	Non-wholly

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

**NOTES (CONTINUED)**

**13. Investments in subsidiaries (continued)**

The group owns 50% equity shares of Suburban Limited. The remaining 50% is held by unrelated shareholders. An assessment of control was performed by the group based on whether the group has the practical ability to direct the relevant activities unilaterally and it was concluded that the group was involved in active day to day management and therefore had dominant powers to direct the relevant activities of Suburban Limited.

**Summarised financial information**

Summarised financial information in respect of each of the group's main subsidiaries that has a material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	Home Afrika		Suburban Limited		Moru Ridge Limited	
	Communities Limited					
	2021	2020	2021	2020	2021	2020
	Shs	Shs	Shs	Shs	Shs	Shs
Current assets	1,886,019,413	1,791,741,339	71,172,590	73,263,639	889,533,451	889,525,886
Non-current assets	256,160,676	11,121,562	348,229	433,083	4,727	6,753
Current liabilities	(4,400,673,292)	(4,357,407,096)	(123,704,816)	(124,589,759)	(2,035,291,340)	(1,797,668,029)
Non-controlling interests	13,697,112	(104,723,285)	(46,213,951)	(48,146,809)	(472,943,705)	(362,945,491)

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

**NOTES (CONTINUED)**

**13. Investments in subsidiaries (continued)**

**Summarised financial information (continued)**

	Home Afrika Communities Limited		Suburban Limited		Moru Ridge Limited	
	2021 Shs	2020 Shs	2021 Shs	2020 Shs	2021 Shs	2020 Shs
Revenue	258,339,368	206,185,166	5,848,800	3,328,800	-	-
Expenses	(190,270,524)	(227,983,012)	(1,983,085)	(1,660,047)	(274,995,536)	(223,581,691)
(Loss) or profit for the year	68,068,844	(21,797,846)	3,865,715	1,668,753	(274,995,536)	(223,581,691)
Profit or loss attributable to the non-controlling interests	(57,222,384)	(57,222,384)	834,377	4,470,614	(209,805,782)	(209,805,782)
Net cash (out)/in flow from operating activities	3,822,523	3,822,523	(1,012,130)	(1,012,130)	(6,490,733)	(6,490,733)
Net cash (out)/in flow from investing activities	(782,275)	(782,275)	-	-	-	-
Net cash (out)/in flow from financing activities	(3,000,000)	(3,000,000)	-	-	-	-
Net cash (out)/ in flow	40,248	40,248	(1,012,130)	(1,012,130)	(6,490,733)	(6,490,733)

**Significant restrictions**

There are no significant restrictions on the company's or subsidiary's ability to access or use the assets and settle the liabilities of the group.

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

**COMPANY STATEMENT OF CASH FLOWS**

**NOTES (CONTINUED)**

14. Financial assets	Incorporation		Group and Company	
			2021 Shs	2020 Shs
<b>Available-for-sale</b>				
Morningside Office Park Limited	Kenya	12%	<u>2,000</u>	<u>2,000</u>

The carrying amount of the investment above is not expected to be materially different from its fair value.

15. Inventories	Group		Company	
	2021 Shs	2020 Shs	2021 Shs	2020 Shs
Plots held for sale	701,046,303	684,098,058	281,457,867	264,509,622
Units held for sale	276,551,694	308,556,642	-	-
Work in progress	3,016,874,281	2,986,978,719	-	-
Less: impairment provision	<u>(390,531,081)</u>	<u>(390,531,081)</u>	<u>-</u>	<u>-</u>
	<u>3,603,941,198</u>	<u>3,589,102,338</u>	<u>281,457,867</u>	<u>264,509,622</u>

Inventory with a cost amounting to Shs. 106,878,163 have been pledged as security against deposit for preference shares as disclosed in Note 22.

Inventory with a cost amounting to Shs. 36,405,588 have been pledged as security against private placement bond as disclosed in Note 21.

Inventory amounting to Shs. 32,976,135 is pledged as security to contractors as disclosed in note 19.

Included in the inventories above are residential apartments constructed by a separate group entity, Moru Ridge Limited with cumulative costs amounting to Shs. 570,000,000 where the project has stalled since 2015. The said residential apartments have been subject to foreclosure by the bank for non payment of the loan. The bank was unsuccessful in its effort to get a buyer to buy the properties and they did not receive any offers that were close to the cumulative costs so far incurred in putting up the residential blocks. As disclosed in Note 31, the above matter is still subject to a ongoing legal case where the court ordered that the bank take up the property at market value.

16. Trade and other receivables	Group		Company	
	2021 Shs	2020 Shs	2021 Shs	2020 Shs
<b>Current</b>				
Trade receivables	2,573,718	26,558,218	-	-
Less: impairment provision	<u>-</u>	<u>(24,000,000)</u>	<u>-</u>	<u>-</u>
Net trade receivables	2,573,718	2,558,218	-	-
Other receivables	13,058,143	9,511,143	49,136	37,136
Deposits and prepayments	46,185,764	41,203,559	2,913,880	3,568,603
Shareholders account	500,000	500,000	-	-
Receivables from related parties (Note 28(iii))	391,400,672	369,065,408	860,582,251	854,155,976
Less: impairment provision	<u>(18,156,776)</u>	<u>(18,156,776)</u>	<u>(823,655,124)</u>	<u>(823,655,124)</u>
	<u>435,561,520</u>	<u>404,681,551</u>	<u>39,890,143</u>	<u>34,106,591</u>

In the opinion of the directors, the carrying amounts of trade and other receivables approximate to their fair value.

The carrying amounts of the group's/company's trade and other receivables are denominated in Kenya shillings.

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

**COMPANY STATEMENT OF CASH FLOWS**

**NOTES (CONTINUED)**

**17. Cash and cash equivalents**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>
Cash at bank and in hand	<u>2,210,072</u>	<u>4,415,717</u>	<u>2,186,731</u>	<u>2,178,776</u>

For the purposes of the statement of cash flows, the year end cash and cash equivalents comprise the following:

Cash and bank	2,210,072	4,415,717	2,186,731	2,178,776
Book overdraft (Note 20)	<u>(6,010,725)</u>	<u>(5,853,129)</u>	<u>(6,010,725)</u>	<u>(5,477,833)</u>
	<u>(3,800,653)</u>	<u>(1,437,411)</u>	<u>(3,823,994)</u>	<u>(3,299,057)</u>

The company's cash and bank balances are held with major Kenyan financial institutions and, insofar as the directors are able to measure any credit risk to these assets, it is deemed to be limited.

The carrying amounts of the group's/company's cash and cash equivalents are denominated in Kenya shillings.

**18. Deferred income**

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>Shs</b>	<b>Shs</b>
	<u>1,022,339,320</u>	<u>1,087,662,457</u>

Deferred income represents unrecognised revenue on account of ongoing construction.

**19. Trade and other payables**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>
<b>Current</b>				
Trade payables	670,407,199	632,600,516	138,305,460	144,744,057
Accruals	224,732,618	198,624,451	150,012,461	142,417,561
Provision for legal cases	23,559,525	41,059,525	-	-
Interest accrual - preference shares	134,282,157	134,261,815	-	-
Provision for other liabilities	286,268,422	286,268,422	-	-
Deposit for service charge and shares	59,953,784	54,683,784	-	-
Other payables	88,899,490	91,463,353	40,605,805	40,456,807
Payable to related parties (Note 28(iv))	<u>92,426,633</u>	<u>60,575,381</u>	<u>534,249,383</u>	<u>532,056,361</u>
	<u>1,580,529,828</u>	<u>1,499,537,247</u>	<u>863,173,109</u>	<u>859,674,786</u>
Deposit from sale of plots and units	<u>2,179,198,765</u>	<u>2,038,115,264</u>	<u>264,988,526</u>	<u>162,571,160</u>
<b>Total trade and other payables</b>	<u>3,759,728,593</u>	<u>3,537,652,511</u>	<u>1,128,161,635</u>	<u>1,022,245,946</u>

Included in the above liabilities are amounts due to contractors totalling to Shs. 250,069,911 secured by plots. Also, included in trade payables are balances totalling to Shs. 42,798,445 that are subject to legal demand.

As disclosed in note 31, provision for legal cases comprise of amounts where the group has ceded and intends to pay or amounts as directed by the court.

In the opinion of the directors, the carrying amounts of trade and other payables approximate to their fair value.

The carrying amounts of the group's/company's trade and other payables are denominated in Kenya shillings.

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

**COMPANY STATEMENT OF CASH FLOWS**  
**NOTES (CONTINUED)**

**19. Trade and other payables (continued)**

The maturity analysis of the group's trade and other payables is as follows:

**Year ended 31 December 2020**

	<b>0 to 1 month</b>	<b>2 to 3 months</b>	<b>4 to 12 months</b>	<b>Total</b>
	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>
Trade payables	35,398,963	287,797,191	347,211,045	670,407,199
Accruals	57,684,782	71,248,963	95,798,873	224,732,618
Provision for legal cases	-	23,559,525	-	23,559,525
Interest accrual - preference shares	-	-	134,282,157	134,282,157
Provision for other liabilities	-	-	286,268,422	286,268,422
Deposit from sale of plots and units	-	-	2,179,198,765	2,179,198,765
Deposit for service charge and shares	-	-	88,899,490	59,953,784
Other payables	-	0	92,426,633	88,899,490
Payable to related parties	-	-	92,426,633	92,426,633
	<u>93,083,745</u>	<u>382,605,679</u>	<u>3,316,512,018</u>	<u>3,759,728,593</u>

**Year ended 31 December 2020**

	<b>0 to 1 month</b>	<b>2 to 3 months</b>	<b>4 to 12 months</b>	<b>Total</b>
	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>
Trade payables	33,402,688	271,567,268	327,630,560	632,600,516
Accruals	50,983,290	62,971,661	84,669,500	198,624,451
Provision for legal cases	-	-	0	41,059,525
Interest accrual - preference shares	-	-	134,261,815	134,261,815
Provision for other liabilities	-	-	286,268,422	286,268,422
Deposit from sale of plots and units	-	-	2,038,115,264	2,038,115,264
Deposit for service charge and shares	-	-	91,463,353	54,683,784
Other payables	-	7,867,324	52,708,057	91,463,353
Payable to related parties	-	-	60,575,381	60,575,381
	<u>84,385,978</u>	<u>383,465,778</u>	<u>3,075,692,352</u>	<u>3,537,652,511</u>

The maturity analysis of the company's trade and other payables is as follows:

**Year ended 31 December 2021**

	<b>0 to 1 month</b>	<b>2 to 3 months</b>	<b>4 to 12 months</b>	<b>Total</b>
	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>
Trade payables	79,885,124	49,693,937	8,726,399	138,305,460
Accruals	18,222,981	46,916,019	84,873,461	150,012,461
Deposit from sale of plots	35,355,652	229,632,874	-	264,988,526
Other payables	-	3,602,576	37,003,229	40,605,805
Payable to related parties	-	-	534,249,383	534,249,383
	<u>133,463,757</u>	<u>329,845,406</u>	<u>664,852,472</u>	<u>1,128,161,635</u>

**Year ended 31 December 2020**

	<b>0 to 1 month</b>	<b>2 to 3 months</b>	<b>4 to 12 months</b>	<b>Total</b>
	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>
Trade payables	83,604,053	52,007,361	9,132,643	144,744,057
Accruals	17,300,380	44,540,733	80,576,448	142,417,561
Deposit from sale of plots	21,690,786	140,880,374	-	162,571,160
Other payables	-	3,589,357	36,867,450	40,456,807
Payable to related parties	-	-	532,056,361	532,056,361
	<u>122,595,219</u>	<u>241,017,825</u>	<u>658,632,902</u>	<u>1,022,245,946</u>

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

**COMPANY STATEMENT OF CASH FLOWS**

**NOTES (CONTINUED)**

**20. Borrowings**

The borrowings are made up as follows:

Current	Group		Company	
	2021 Shs	2020 Shs	2021 Shs	2020 Shs
Bank loans	1,312,015,165	1,103,028,149	2,677,815	-
Hire Purchase	2,677,815	2,677,815	-	-
Book overdraft	6,010,725	5,853,129	6,010,725	-
	<u>1,320,703,705</u>	<u>1,111,559,093</u>	<u>8,688,540</u>	<u>-</u>

The borrowings are secured by the following:

(i) I & M Bank Limited

- Joint and several personal guarantees and indemnities of an amount of Shs. 325,000,000 each by the directors of Mitini Scapes development Limited.
- Corporate guarantee and indemnity of Home Afrika Limited for an amount of Shs. 325,000,000.
- A fixed and floating debenture for an amount of Shs. 325,000,000 over all the assets of Mitini Scapes Development Limited.
- First legal charge/mortgage for an amount of Shs. 325,000,000 over the sublease unit PDS S03 on L.R. No. 29059, Nairobi registered in the name of Mitini Scapes Development Limited.

(ii) Eco Bank Kenya Limited

- Legal charge of Shs. 400,000,000 over property known as unit No. MO014 situated on L.R. No. 29059, Kiambu.
- Corporate guarantee and indemnity from Home Afrika Communities Limited, Home Afrika Limited, Tulip Trustee Limited and Linyanti Limited for an amount of Shs. 400,000,000.
- First loss payee in respect of all insurance proceeds payable to the company under an all risk insurance policy for the assets charged as security as well as any proceeds payable under the all risk contractor's policy taken out by the company in connection with the construction.

	Group	
Weighted average effective interest rates at the reporting date were:	2021 Shs	2020 Shs
	<u>18.5%</u>	<u>18.5%</u>

In the opinion of the directors, the carrying amounts of borrowings and lease obligations approximate to their fair value.

The carrying amounts of the company's borrowings are denominated in Kenya shillings.

During the year, the group was in default of covenants under borrowing agreements by non repayment of the principal and interest and the details are as below:

i) I & M Bank Limited

Borrowings from this institution amounted to Shs. 140,627,609 (2020: Shs. 168,899,026) as at the reporting date. Interest payable of Shs. 23,117,522 (2019: Shs. 23,250,463) remained unpaid as at 31 December 2021. The management expects to meet all contractual obligations in the future.

ii) Eco Bank Kenya Limited

Borrowings from this institution amounted to Shs. 11,713,875,556 (2020: Shs. 934,129,123) as at the reporting date. Interest payable of Shs. 274,636,196 (2020: Shs. 191,739,519) remained unpaid as at 31 December 2021. The management expects to meet all contractual obligations in the future.

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

**COMPANY STATEMENT OF CASH FLOWS**

**NOTES (CONTINUED)**

**21. Private Placement Bond**

**Current**

	Group		Company	
	2021	2020	2021	2020
	Shs	Shs	Shs	Shs
Bond - principal	500,000,000	500,000,000	500,000,000	500,000,000
Interest accrual - bond	320,660,028	320,660,028	103,765,207	103,765,207
	<u>820,660,028</u>	<u>820,660,028</u>	<u>603,765,207</u>	<u>603,765,207</u>

In 2014, the company raised Shs. 500,000,000 through the issue of a 5 year private placement bond. Interest on the corporate bond is at 17% per annum payable semi-annually in arrears. Interest payments on the bond were delayed as at 31 December 2018 and as a result, the bond has been classified as a current liability.

The notes are issued in denominations of Shs. 100,000. The final maturity of the Notes was 16 December 2021. However, there is early redemption any time after 18 December 2017 by the issuer in whole or in part on any interest payment date on provision of a notice of no more than 90 days or less than 30 days.

The notes are partially secured by first legal charge on land, Unit Number PDS W01 situated on L.R. No 29059, Kiambu included within inventories.

During the year, the group was in default of covenants under borrowing agreements by non repayment of the principal and interest and the details are as below:

Borrowings from this institution amounted to Shs. 500,000,000 (2020: Shs. 500,000,000) as at the reporting date. Interest payable of Shs. 320,660,028 (2020: Shs. 320,660,028) remained unpaid as at 31 December 2021. The management expects to meet all contractual obligations in the future.

**22. Deposit for shares**

**Current**

	Group	
	2021	2020
	Shs	Shs
- Deposits for ordinary shares pending allotment	87,757,300	87,757,300
- Deposits for preference shares pending issue	70,588,722	70,688,722
	<u>158,346,022</u>	<u>158,446,022</u>
	<u>158,346,022</u>	<u>158,446,022</u>

The deposits for preference shares pending issue relate to Home Afrika Communities Limited and Kikwetu Development Limited which are both subsidiaries of the parent company.

- (i) Deposits for preference shares pending issue - Home Afrika Communities Limited
  - The members passed an ordinary resolution on 24 June 2013 authorising the issue of 1,000 preference shares of Shs. 600,000 each.
  - The tenure of the preference shares shall be 3 years with the right to receive a cumulative dividend at a rate of 20.5% p.a. to be paid together with capital upon redemption and rank in priority over ordinary shares in repayment.
  - The preference shares are secured by a first legal charge over property unit L.R. No. 29059 PDS W01 (I.R No.133694) measuring 25.31 acres valued at approximately Shs 650,000,000.
- (ii) Deposits for preference shares pending issue - Kikwetu Development Limited
  - The company intends to issue preference shares at a subscription price of Shs. 500,000 each.
  - The tenure of the preference shares shall be 3 years with the right to receive dividend at a rate of 18% per annum. The group is in default with the contractual contract with the preference shareholders.
- (iii) Deposit for ordinary shares pending allotment relates to amounts received with respect to the reservation of shares to minority interest in the subsidiary companies. No shares had been allotted as at the statement of financial position date.

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

**COMPANY STATEMENT OF CASH FLOWS**

**NOTES (CONTINUED)**

**23. Deferred tax**

Deferred tax is calculated, in full, on all temporary differences under the liability method using a principal tax rate of 30% (2020: 30%). The movement on the deferred tax account is as follows:

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>Shs</b>	<b>Shs</b>
At start of year	-	-
Credit to profit or loss (Note 8)	-	-
At end of year	<u>-</u>	<u>-</u>

**Group**

Deferred tax (assets) and liabilities, deferred tax charge/(credit) to other comprehensive income and deferred tax charge/(credit) in profit or loss are attributable to the following items:

	<b>At start of year Shs</b>	<b>Charge/(credit) to profit or loss Shs</b>	<b>At end of year Shs</b>
<b>Deferred tax liabilities</b>			
Fair value gain on investment property	<u>152,153,167</u>	<u>(152,153,167)</u>	<u>-</u>
<b>Deferred tax assets</b>			
Property and equipment	<u>(338,023)</u>	<u>128,734</u>	<u>(209,289)</u>
Tax losses carried forward	<u>435,566,164</u>	<u>(25,783,445)</u>	<u>(461,349,609)</u>
	<u>435,228,141</u>	<u>(25,654,711)</u>	<u>(461,558,898)</u>
<b>Net deferred tax asset</b>			
Deferred tax assets not recognised	<u>587,381,308</u>	<u>(177,807,878)</u>	<u>(461,558,898)</u>
	<u>587,381,308</u>	<u>(177,807,878)</u>	<u>461,558,898</u>
	<u>-</u>	<u>-</u>	<u>-</u>

Deferred tax assets on tax losses carried forward are only recognised to the extent of certainty of availability of sufficient future taxable profits to utilise such losses against. Deferred tax assets amounting to Shs. 468,558,898 (2020: Shs. 283,751,020) in respect of tax losses carried forward amounting to Shs. 1,537,832,029 (2020: Shs. 1,452,252,048) that can be carried forward against future taxable profits have not been recognised. These tax losses over the last 10 years are as follows:

	<b>Shs</b>	<b>No Expiry</b>
- tax losses arising in 2012	16,205,533	No expiry
- tax losses arising in 2013	85,589,927	No expiry
- tax losses arising in 2014	35,339,120	No expiry
- tax losses arising in 2015	302,031,430	No expiry
- tax losses arising in 2016	116,532,264	No expiry
- tax losses arising in 2017	176,542,796	No expiry
- tax losses arising in 2018	289,610,191	No expiry
- tax losses arising in 2019	212,853,964	No expiry
- tax losses arising in 2020	217,546,823	No expiry
- tax losses arising in 2021	85,579,982	No expiry

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

**COMPANY STATEMENT OF CASH FLOWS**

**NOTES (CONTINUED)**

**23. Deferred tax (continued)**

	<b>Group</b>		
	<b>2021</b>		<b>2020</b>
	<b>Shs</b>		<b>Shs</b>
At start of year	-		-
(Credit)/charge to profit or loss	-		-
At end of year	-		-
	<b>At start</b>	<b>(Credit)/charge</b>	<b>At end</b>
	<b>of year</b>	<b>to profit or loss</b>	<b>of year</b>
	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>
<b>Deferred tax assets</b>			
Property and equipment	(187,273)	329,358	142,085
Tax losses carried forward	(206,470,398)	(25,673,994)	(232,144,392)
<b>Net deferred tax asset</b>	(206,657,671)	(25,344,636)	(232,002,307)
Deferred tax assets not recognised	206,657,671	25,344,636	232,002,307
	-	-	-

Deferred tax assets amounting to Shs. 232,002,3075 (2020: Shs. 264,322,640) in respect of tax losses carried forward amounting to Shs. 966,699,561 (2020: Shs. 881,119,970) that can be carried forward against future taxable profits have not been recognised as there is no certainty of recoverability of such losses. These tax losses cover the last 8 years as follows:

	<b>Shs</b>
- tax losses arising in 2014	56,993,897
- tax losses arising in 2015	113,378,831
- tax losses arising in 2016	79,600,553
- tax losses arising in 2017	131,643,016
- tax losses arising in 2018	119,716,033
- tax losses arising in 2019	186,902,329
- tax losses arising in 2020	192,885,311
- tax losses arising in 2021	85,579,982

**24. Share capital**

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>Shs</b>	<b>Shs</b>
<b>Authorised:</b>		
500,000,000 (2020: 500,000,000) ordinary shares of shs. 1 (2020: Shs. 1) each	500,000,000	500,000,000
<b>Issued and fully paid:</b>		
405,255,320 (2020: 405,255,320) ordinary shares of Shs. 1 (2020: shs. 1) each	405,255,320	405,255,320

**25. Share premium**

	<b>Group and Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>Shs</b>	<b>Shs</b>
At start and end of the year	68,842,038	68,842,038

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

**COMPANY STATEMENT OF CASH FLOWS**

**NOTES (CONTINUED)**

**26. Cash from operations**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>
Reconciliation of (loss) before tax to cash from/ (used in) operations:				
(Loss) before tax	(280,210,875)	(338,244,704)	(87,313,361)	(194,425,088)
<b>Adjustments for:</b>				
Depreciation on property and equipment (Note 10)	7,321,205	7,504,486	4,230,236	4,564,782
Amortization intangible assets (Note 12)	416,026	620,935	416,026	620,935
(Gain) on disposal of property and equipment	-	(184,927)	0	--
Impairment provision on inventories (Note 15)	-	-	-	-
Fair value gain on investment property (Note 11)	(34,617,123)	(48,747,494)	-	-
Impairment of investment in subsidiary (Note 13)	-	-	0	-
Loss on disposal of property and equipment	108,268	-	108,268	-
Interest expense (Note 7)	299,485,317	219,228,334	-	-
Changes in working capital:				
- inventories	(14,838,860)	(52,762,330)	(16,948,245)	(2,052,287)
- trade and other receivables	(30,879,969)	3,338,683	(5,783,552)	(796,146)
- trade and other payables	437,701,742	570,222,963	105,915,689	107,870,835
- deferred income	(65,323,137)	(135,188,410)	-	-
Cash from/(used in) operations	<u>319,162,594</u>	<u>225,787,536</u>	<u>625,062</u>	<u>(10,167,650)</u>

**27. Net debt reconciliation**

Reconciliation of liabilities arising from financing activities:				
At start of year:				
Borrowings (Note 20)	1,103,028,149	921,560,824	-	-
Private placement (Note 21)	500,000,000	500,000,000	500,000,000	500,000,000
Deposit for shares (Note 22)	158,446,022	168,972,272	-	-
	<u>1,761,474,171</u>	<u>1,590,533,096</u>	<u>500,000,000</u>	<u>500,000,000</u>
Interest on borrowings charged to profit or loss	299,485,317	219,228,334	-	0
Interest on borrowings capitalised to inventory net of interest accruals included under trade and other payables	208,987,016	181,467,325	-	0
Cash flows:				
- Operating activities (interest paid)	(272,783,349)	(202,911,927)	-	0
- Proceeds from borrowing	-	13,939,815	2,677,815	2,677,815
- Repayments of borrowings	(24,224,153)	(33,024,657)	-	0
- Repayment of preference shares	100,000	(5,080,000)	-	0
At end of year	<u>1,973,039,002</u>	<u>1,764,151,986</u>	<u>502,677,815</u>	<u>502,677,815</u>
<b>Representing:</b>				
Borrowings (Note 20)	1,312,015,165	1,103,028,149	-	0
Private placement (Note 21)	500,000,000	500,000,000	500,000,000	500,000,000
Deposit for shares (Note 22)	158,346,022	158,446,022	-	0
Hire purchase (Note 20)	2,677,815	2,677,815	2,677,815	2,677,815
	<u>1,973,039,002</u>	<u>1,764,151,986</u>	<u>502,677,815</u>	<u>502,677,815</u>

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

**COMPANY STATEMENT OF CASH FLOWS**

**NOTES (CONTINUED)**

**28. Related party transactions and balances**

The nature of related parties is through common directorship and shareholding. The following transactions were carried out with related parties:

i) Sale of goods	Group	
	2021	2020
	Shs	Shs
Sale of plots to other related parties - shareholders	-	-

**ii) Key management personnel compensation**

	Group		Company	
	2021	2020	2021	2020
	Shs	Shs	Shs	Shs
Short term employee benefits	48,831,249	51,109,855	35,902,925	36,552,925

**iii) Outstanding balances arising from payments to/received from related parties**

	Group		Company	
	2021	2020	2021	2020
	Shs	Shs	Shs	Shs
Receivable from related parties (Note 16)	373,243,896	350,908,632	36,927,127	30,500,852

Receivables from related parties can be analysed as follows:

- Subsidiaries	-	-	43,191,636	43,191,636
- Other related parties	373,243,896	350,908,632	-	-
	<u>373,243,896</u>	<u>350,908,632</u>	<u>43,191,636</u>	<u>43,191,636</u>

The amounts receivable from related parties are interest free, have no specific dates of repayment and are unsecured.

**iv) Outstanding balances arising from payments to/received from related parties**

	Group		Company	
	2021	2020	2021	2020
	Shs	Shs	Shs	Shs
Payable to related parties (Note 19)	92,426,633	60,575,381	534,249,383	532,056,361
Payables from related parties can be analysed as follows:				
- Subsidiaries	-	-	458,888,733	456,695,711
- Other related parties such as Directors and shareholders	92,426,633	60,575,381	75,360,650	75,360,650
	<u>92,426,633</u>	<u>60,575,381</u>	<u>534,249,383</u>	<u>532,056,361</u>

The amounts payable to related parties are interest free, have no specific dates of repayment and are unsecured.

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

---

**COMPANY STATEMENT OF CASH FLOWS**

**NOTES (CONTINUED)**

**29. Risk management objectives and policies**

**Financial risk management**

The group's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk.

Risk management is carried out by the management under policies approved by the board of directors. Management identifies and evaluates financial risks in close co-operation with various departmental heads. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk and credit risk.

**(a) Market risk**

*- Interest rate risk*

The group's exposure to interest rate risk arises from non-current borrowings/current borrowings. Financial assets and liabilities obtained at different rates expose the company to interest rate risk.

At 31 December 2021, if interest rates at that date had been 1 percentage point lower with all other variables held constant, post-tax loss for the year would have been Shs. 9,184,106 (2020: Shs. 7,721,197) lower, arising mainly as a result of lower interest expense on variable rate borrowings. The effect would be the opposite were interest rates to be 1% higher. 1% represents the maximum expected high change in rates.

**(b) Credit risk**

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the customer, taking into account their financial position, past experience and other factors.

Individual limits are set based on internal or external information in accordance with limits set by the management. The utilisation of credit limits is regularly monitored.

In assessing whether the credit risk on a financial asset has increased significantly, the company compares the risk of default occurring on the financial asset as at the reporting date with the risk of default occurring on that financial asset as at the date of initial recognition. In doing so, the company considers reasonable and supportable information that is indicative of significant increases in credit risk since initial recognition and that is available without undue cost or effort. There is a rebuttable assumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due.

For these purpose default is defined as having occurred if the debtor is in breach of contractual obligations, or if information is available internally or externally that suggests that the debtor unlikely to be able to meet its obligations. However, there is a rebuttable assumption that that default does not occur later than when a financial asset is 90 days past due.

If the company does not have reasonable and supportable information to identify significant increases in credit risk and/or to measure lifetime credit losses when there has been a significant increase in credit risk on an individual instrument basis, lifetime expected credit losses are recognised on a collective basis. For such purposes, the company groups financial assets on the basis of shared credit risk characteristics, such as:

- type of instrument;
- industry in which the debtor operates; and
- nature of collateral.

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

**COMPANY STATEMENT OF CASH FLOWS**

**NOTES (CONTINUED)**

**29. Risk management objectives and policies (continued)**

**Financial risk management (continued)**

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired include observable data about the the following events:

- significant financial difficulty of the debtor
- a breach of contract
- it is probable that the debtor will enter bankruptcy
- the disappearance of an active market for the financial asset because of financial difficulties.

The gross carrying amount of financial assets with exposure to credit risk at the balance sheet date of the group was as follows:

Group	12-month expected credit losses		Lifetime expected credit losses (see note below)		
	Basis for measurement of loss allowance				
As at 31 December 2021	Shs	a) Shs	b) Shs	c) Shs	Total Shs
Trade receivables	-	-	-	2,573,718	2,573,718
Other receivables	-	-	-	13,058,143	13,058,143
Deposits and prepayments	-	-	-	46,185,764	46,185,764
Shareholders account	-	-	-	500,000	500,000
Receivables from related parties	-	-	-	391,400,672	391,400,672
	<u>-</u>	<u>-</u>	<u>-</u>	<u>453,718,296</u>	<u>453,718,296</u>
Gross carrying amount	-	-	-	453,718,296	453,718,296
Loss allowance	-	-	-	(18,156,776)	(18,156,776)
Exposure to credit risk	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,156,776)</u>	<u>(18,156,776)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>435,561,520</u>	<u>435,561,520</u>
<b>As at 31 December 2020</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>435,561,520</u>	<u>435,561,520</u>
Trade receivables	-	-	-	2,558,218	2,558,218
Other receivables	-	-	-	9,511,143	9,511,143
Deposits and prepayments	-	-	-	41,203,559	41,203,559
Shareholders account	-	-	-	500,000	500,000
Receivables from related parties	-	-	-	369,065,408	369,065,408
	<u>-</u>	<u>-</u>	<u>-</u>	<u>422,838,327</u>	<u>422,838,327</u>
Gross carrying amount	-	-	-	422,838,327	422,838,327
Loss allowance	-	-	-	(18,156,776)	(18,156,776)
Exposure to credit risk	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,156,776)</u>	<u>(18,156,776)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>404,681,551</u>	<u>404,681,551</u>

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

**COMPANY STATEMENT OF CASH FLOWS**

**NOTES (CONTINUED)**

**29. Risk management objectives and policies (continued)**

**Financial risk management (continued)**

Company	12-month expected credit losses	Lifetime expected credit losses (see note below)			
			a)	b)	c)
Basis for measurement of loss allowance					
As at 31 December 2021	Shs	Shs	Shs	Shs	Shs
Other receivables	-	-	-	49,136	49,136
Deposits and prepayments	-	-	-	2,913,880	2,913,880
Receivables from related parties	-	-	-	860,582,251	860,582,251
Gross carrying amount	-	-	-	863,545,267	863,545,267
Loss allowance	-	-	-	(823,655,124)	(823,655,124)
Exposure to credit risk	-	-	-	39,890,143	39,890,143
<b>As at 31 December 2020</b>					
Other receivables	-	-	-	37,136	37,136
Deposits and prepayments	-	-	-	3,568,603	3,568,603
Receivables from related parties	-	-	-	854,155,976	854,155,976
Gross carrying amount	-	-	-	857,761,715	857,761,715
Loss allowance	-	-	-	(823,655,124)	(823,655,124)
Exposure to credit risk	-	-	-	34,106,591	34,106,591

Financial assets for which the loss allowance has been measured at an amount equal to lifetime expected credit losses have been analysed above based on their credit risk ratings as follows:

- financial assets for which credit risk has increased significantly since initial recognition but that are not credit impaired;
- financial assets that are credit impaired at the balance sheet date;
- trade receivables, contract assets and lease receivables for which the loss allowance is always measured at an amount equal to lifetime expected credit losses, based, as a practical expedient, on provision matrices.

**Liquidity risk**

Cash flow forecasting is performed by the finance department of the group by monitoring the company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the group does not breach borrowing limits or covenants on any of its borrowing facilities.

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the company's management maintains flexibility in funding by maintaining availability under committed credit lines.

Notes 21 and 20 disclose the maturity analysis of borrowings and trade and other payables respectively.

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

**COMPANY STATEMENT OF CASH FLOWS**

**NOTES (CONTINUED)**

**29. Risk management objectives and policies (continued)**

The following table details the group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on undiscounted cash flows of financial liabilities based on the earliest date on which the group can be required to pay.

<b>Group</b>	<b>Interest rate %</b>	<b>Less than 1 year Shs</b>	<b>1 - 5 years Shs</b>	<b>More than 5 years Shs</b>	<b>Total Shs</b>
<b>Year ended 31 December 2021</b>					
Interest bearing liabilities					
- Bank loans	18.5%	1,554,737,971	-	-	1,554,737,971
- Private placement bond	17.0%	500,000,000	-	-	500,000,000
Non-interest bearing liabilities					
- Deposit for shares	-	158,346,022	-	-	158,346,022
- Trade and other payables	-	<u>3,759,728,593</u>	-	-	<u>3,759,728,593</u>
		<u>5,972,812,586</u>	-	-	<u>5,972,812,586</u>
	<b>Interest rate %</b>	<b>Less than 1 year Shs</b>	<b>1 - 5 years Shs</b>	<b>More than 5 years Shs</b>	<b>Total Shs</b>
<b>Year ended 31 December 2020</b>					
Interest bearing liabilities					
- Bank loans	18.5%	1,307,088,357	-	-	1,307,088,357
- Private placement bond	17.0%	500,000,000	-	-	500,000,000
Non-interest bearing liabilities					
- Deposit for shares	-	158,446,022	-	-	158,446,022
- Trade and other payables	-	<u>3,537,652,511</u>	-	-	<u>3,537,652,511</u>
		<u>5,503,186,890</u>	-	-	<u>5,503,186,890</u>
	<b>Interest rate %</b>	<b>Less than 1 year Shs</b>	<b>1 - 5 years Shs</b>	<b>More than 5 years Shs</b>	<b>Total Shs</b>
<b>Company</b>					
<b>Year ended 31 December 2021</b>					
Interest bearing liabilities					
- Corporate bond	17.0%	500,000,000	-	-	500,000,000
Non-interest bearing liabilities					
- Trade and other payables	-	<u>1,128,161,635</u>	-	-	<u>1,128,161,635</u>
		<u>1,628,161,635</u>	-	-	<u>1,628,161,635</u>
	<b>Interest rate %</b>	<b>Less than 1 year Shs</b>	<b>1 - 5 years Shs</b>	<b>More than 5 years Shs</b>	<b>Total Shs</b>
<b>Year ended 31 December 2020</b>					
Interest bearing liabilities					
- Corporate bond	17.0%	500,000,000	-	-	500,000,000
Non-interest bearing liabilities					
- Trade and other payables	-	<u>1,022,245,946</u>	-	-	<u>1,022,245,946</u>
		<u>1,522,245,946</u>	-	-	<u>1,522,245,946</u>

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

**COMPANY STATEMENT OF CASH FLOWS**

**NOTES (CONTINUED)**

**30. Capital management**

**Internally imposed capital requirements**

To provide an adequate return to shareholders by pricing products and services commensurate with the level of risk; -

- to comply with the capital requirements set out by the group's bankers;
- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to maintain a strong asset base to support the development of business.
- to maintain an optimal capital structure to reduce the cost of capital.

The group sets the amount of capital in proportion to risk. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. Consistently with others in the industry, the company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided capital. Net debt is calculated as total debt (as shown in the statement of financial position) less cash and cash equivalents. Capital comprises all components of equity (i.e. share capital, share premium and other reserves retained earnings). Due to accumulated losses, the group is entirely funded by its lenders.

**31. Contingent liabilities**

The group is in receipt of certain claims for damages, refunds from deposit for plot buyers and preference share holders and other remuneration from former employees amounting to Shs. 40,453,643. Amounts payable based on agreement entered into with the former employees as of the date of approval of these financial statements have been provided for where material. Disputed amounts of Shs. 15,092,114 have not been provided for as the company does not believe these are payable based on legal and other advice received. It is not possible to predict with certainty any further amounts that are payable following completion of the ongoing discussions in this regard. Any ceded balance or amounts where the group has been directed by the courts have been accrued in the books as disclosed in note 19.

The group is subject to an ongoing case whereby, the bank is seeking to liquidate an asset that was secured against funds advanced to one of the subsidiaries which was undertaking a project for construction of apartments. The court ordered the bank to repurchase the property by a private treaty and at market value. The company is awaiting for the bank to determine the next course of action.

Home Afrika Communities Limited (a subsidiary) received preliminary of Shs. 109,478,760 claims from the Kenya Revenue Authority. The company has disputed the assessment and lodged a formal objection through their tax consultant. There has been no further development in this regard. No provision for this has been recognised in these financial statements based on defences available against such claims. It is not possible to determine with certainty the amounts that may be payable. The group is also subject to claims which arise in the ordinary course of business. No provisions for such claims have been recognised as the directors are of the opinion that no material loss will arise from such claims.

**32. Incorporation**

Home Afrika Limited is incorporated in Kenya under the Companies Act as a public limited liability company and is domiciled in Kenya.

**33. Presentation currency**

The financial statements are presented in Kenya Shillings (Shs).

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

**COMPANY STATEMENT OF CASH FLOWS**

**SCHEDULE OF EXPENDITURE**

**1. SELLING AND DISTRIBUTION EXPENSES**

	Group		Company	
	2021 Shs	2020 Shs	2021 Shs	2020 Shs
Marketing fees	4,228,395	7,439,807	2,315,124	2,205,916
Commissions	9,506,416	19,302,673	-	0
Advertising and sales promotion	1,421,218	361,615	41,064	181,354
<b>Total selling and distribution expenses</b>	<b>15,156,029</b>	<b>27,104,095</b>	<b>2,356,188</b>	<b>2,387,270</b>

**2. ADMINISTRATIVE EXPENSES**

Employment:				
Salaries and wages	78,490,488	92,507,822	55,125,390	66,873,129
Medical	5,655,656	5,918,882	1,277,106	2,150,918
Staff training and welfare	2,179,545	2,431,581	785,720	677,264
<b>Total employment costs</b>	<b>86,325,689</b>	<b>100,858,285</b>	<b>57,188,216</b>	<b>69,701,310</b>

**Other administrative expenses:**

Directors and Committee allowance (Reversal)/provision for doubtful debts	5,537,824	13,053,623	1,700,000	2,350,000
Meetings expenses	-	(20,831,093)	-	12,690,784
Legal and professional fees	1,251,271	2,221,220	1,251,271	2,221,220
Vehicle running	19,202,595	56,531,507	6,811,113	9,715,966
Office expenses	2,356,085	2,239,157	1,138,570	1,052,243
Postages and telephones	9,747,832	2,610,244	596,266	556,859
Audit fees	1,540,806	1,567,460	1,276,600	1,480,850
- current year	1,740,000	3,205,000	650,000	650,000
- under provision in prior years	-	886,421	-	-
Travelling and accommodation	1,661,802	950,524	1,514,490	893,154
Donations	153,554	284,546	100,000	130,604
Computer expenses	5,675,686	6,624,979	3,862,484	4,538,929
Printing and stationery	85,000	36,450	85,000	36,450
Bank charges and commissions	962,313	1,572,559	571,589	818,195
Secretarial fees	-	1,162,404	250,560	1,162,404
<b>Total other administrative expenses</b>	<b>50,165,328</b>	<b>72,115,001</b>	<b>19,807,943</b>	<b>38,297,658</b>

**Total administrative expenses**

<b>136,491,017</b>	<b>172,973,285</b>	<b>76,996,159</b>	<b>107,998,967</b>
--------------------	--------------------	-------------------	--------------------

**3. OTHER OPERATING EXPENSES**

Establishment:				
Depreciation on property and equipment	7,321,205	7,504,486	4,230,236	4,564,782
Repairs and maintenance	2,426,527	2,814,950	401,448	396,520
Service charge	1,290,949	1,232,285	1,290,949	1,172,285
Insurance	3,479,088	3,207,958	1,885,080	2,271,293
Security	17,638,865	15,727,954	-	-
Amortization intangible asset	416,026	620,935	416,026	620,935
Electricity	6,074,005	3,748,073	303,134	343,032
Loss on disposal of property and equipment	108,268	-	108,268	-
Rent and rates	2,797,282	2,960,473	266,482	266,873
Licence and subscriptions	1,152,941	588,928	903,391	513,728
<b>Total other operating expenses</b>	<b>42,705,156</b>	<b>38,406,042</b>	<b>9,805,014</b>	<b>10,149,448</b>

**HOME AFRIKA LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

**COMPANY STATEMENT OF CASH FLOWS**

**TAX COMPUTATION**

	Shs	Shs
Loss as per financial statements		
Add:		
Depreciation on property, plant and equipment	4,230,236	
Amortization of Intangibles	416,026	
Penalties and fines	119,492	
Donation	100,000	
		<u>4,865,755</u>
		(82,447,606)
Less: Wear and tear allowance	<u>3,132,376</u>	<u>(3,132,376)</u>
<b>ADJUSTED TAX (LOSS) FOR THE YEAR</b>		<u>(85,579,982)</u>

**SUMMARY**

Tax losses brought forward	(688,234,659)
Tax loss for the year	<u>(85,579,982)</u>
Tax losses carried forward	<u>(773,814,640)</u>

**WEAR AND TEAR SCHEDULE**

	Computer equipment 25% KSHS	Motor Vehicles 25% KSHS	Furniture & fittings 10.00% KSHS	Total KSHS
<b>Transfers from old pool</b>	5,072,215	1,570,509	10,341,946	16,984,670
Additions	<u>500,000</u>	<u>1,250,000</u>	<u>0</u>	<u>1,750,000</u>
	5,572,215	2,820,509	10,341,946	18,734,670
Wear and Tear Allowance	<u>1,393,054</u>	<u>705,127</u>	<u>1,034,195</u>	<u>3,132,376</u>
<b>W.D.V carried forward</b>	<u>4,179,161</u>	<u>2,115,382</u>	<u>9,307,752</u>	<u>15,602,295</u>

**Software allowance**

	Cost KSHS	Residue b/f KSHS	Transfer to new pool KSHS	Residue c/f KSHS
Intangible asset				
2014	5,300,457	5,300,457	0	0
2015	596,123	596,123	0	0
2017	537,757	322,654	215,103	0
2018	3,836,699	1,534,680	2,302,019	0
			<u>2,517,122</u>	<u>0</u>



Pent Suite 01 | 5<sup>th</sup> Floor, Morningside Office Park | Ngong Road, P.O. Box 6254 – 00100, Nairobi. Tel: +254 (0) 20 272000  
[info@homeafrika.com](mailto:info@homeafrika.com) | [www.homeafrika.com](http://www.homeafrika.com)

---

Due to the ongoing Covid-19 pandemic, shareholders will not be able to attend the Annual General Meeting in person but will be able to register for, access information pertaining to the Audited Financial Statements of Home Afrika Limited for the year ending 31<sup>st</sup> December, 2021, vote electronically in person or by proxy and follow the meeting in the manner detailed below. Shareholders are requested to ask questions in advance of the meeting as detailed in the instructions below.

#### **NOTICE OF THE ANNUAL GENERAL MEETING**

**Notice is hereby given** that the Annual General Meeting of the Shareholders of Home Afrika Limited will be held via **virtual** conference on **Thursday, 30<sup>th</sup> June 2022 at 10.00 am** to transact the following business:

#### **AGENDA**

##### **ORDINARY BUSINESS**

**1. Constitution of the Meeting**

To read the notice convening the meeting and determine if a quorum is present.

**2. Confirmation of the Minutes**

To confirm the Minutes of the previous Annual General Meeting held on 30<sup>th</sup> September 2021.

**3. Financial Statement for the Year ended 31<sup>st</sup> December 2021**

To receive, consider and if thought fit, adopt the Audited Consolidated Financial Statements for the year ended 31<sup>st</sup> December 2021 together with the Directors' and Auditors reports thereon.

**4. Dividend**

To note that the Directors do not recommend the payment of a dividend for the year ended 31<sup>st</sup> December 2021.

**5. Election of Directors**

a) In accordance with Articles 92 and 93 of the Company's Articles of Association, the following Directors are due for retirement by rotation and being eligible, individually offer themselves for re-election:

- i. Ms. Frida Owanga
- ii. Ms. Bertha Mvati

---

Directors: Peter Mungai (Chairman), Jayne Nyokabi (Ag. Managing Director), Mbugua Gecaga, Luke Kinoti, Frida Owanga, Bertha Mvati & Nelson Ashitiva.

## AGM NOTICE



Pent Suite 01 | 5<sup>th</sup> Floor, Morningside Office Park | Ngong Road, P.O. Box 6254 – 00100, Nairobi. Tel: +254 (0) 20 272000  
[info@homeafrika.com](mailto:info@homeafrika.com) | [www.homeafrika.com](http://www.homeafrika.com)

---

b) In accordance with the provisions of Section 769 of the Companies Act 2015, the following directors, being members of the Board Audit, Risk and Compliance Committee be elected to continue to serve as members of the said Committee:

- i. Mr. Luke Kinoti (Chairperson)
- ii. Ms. Frida Owinga
- iii. Mr. Nelson Ashitiva

### **6. Remuneration of Directors**

To receive, consider and if thought fit, approve the Directors' Remuneration Report for the year ended 31 December 2021 and to authorize the Board to fix the remuneration of the Directors.

### **7. Appointment and Remuneration of the Company Secretary**

To appoint Mr. Ben Munyasya, having expressed his willingness in accordance with the provisions of Section 244 of the Companies Act 2015 and to authorize the Board to fix his remuneration.

### **8. Any Other Business**

To transact any other business that may legally be transacted at an annual general meeting, of which due notice has been received.

By Order of the Board

**Ben Munyasya**

**Company Secretary**

8<sup>th</sup> June 2022, Nairobi

**Notes:**

***{The AGM will be held virtually, shareholders to register via the link}***

---

Directors: Peter Mungai (Chairman), Jayne Nyokabi (Ag. Managing Director), Mbugua Gecaga, Luke Kinoti, Frida Owinga, Bertha Mvati & Nelson Ashitiva.

## AGM NOTICE



Pent Suite 01 | 5<sup>th</sup> Floor, Morningside Office Park | Ngong Road, P.O. Box 6254 – 00100, Nairobi. Tel: +254 (0) 20 272000  
[info@homeafrika.com](mailto:info@homeafrika.com) | [www.homeafrika.com](http://www.homeafrika.com)

---

### Notes

1. In accordance with Section 298(1) of the Companies Act, shareholders entitled to attend and vote at the AGM are entitled to appoint a proxy to attend and vote on their behalf. A proxy need not be a member of the Company and **will need to have access to a mobile phone**. A proxy form must be signed by the appointor or his attorney duly authorized in writing. If the appointer is a body corporate, the instrument appointing the proxy shall be given under its common seal or under the hand of an officer or duly authorized attorney of such body corporate. **A completed form of proxy should be emailed to [info@homeafrika.com](mailto:info@homeafrika.com) or delivered to Custodial & Investor Services, Co-operative Bank Registrar, KUSCCO Centre, Kilimanjaro Avenue-Upper Hill, so as to be received not later than Tuesday, 28<sup>th</sup> June 2022 at 10.00 a.m.** When nominating a proxy, the **ID/Passport No, email and mobile number of the proxy** must be submitted to facilitate registration. Any proxy registration that is rejected will be communicated to the Shareholder concerned no later than Tuesday, 28<sup>th</sup> June 2022 to allow time to address any issues.
2. Registration for the AGM opens on **Monday, 6<sup>th</sup> June 2022 at 10:00 a.m. and will close on Monday, 27<sup>th</sup> June 2022 at 12:00 noon**. Shareholders will not be able to register after Monday, 27<sup>th</sup> June 2022 at 12:00 noon.
3. For assistance, shareholders should dial the following helpline number: + 254 020 277 2000 or +254 0716 80 20 70 from 9:00 a.m. to 3:00 p.m. during the registration open period. Any shareholder outside Kenya should dial the helpline number or email [info@homeafrika.com](mailto:info@homeafrika.com) to be assisted to register.
4. Duly registered Shareholders and Proxies wishing to participate in the meeting should register for the AGM online at [https://us02web.zoom.us/webinar/register/WN\\_J2SaJfPWQsSP2-ihAVtBYQ](https://us02web.zoom.us/webinar/register/WN_J2SaJfPWQsSP2-ihAVtBYQ) or vote via USSD using short code number \*23071# and following the various prompts regarding the registration process. In order to complete the registration process, shareholders will need to have their Share Account Number or CDSC Account Number and the ID/Passport Number which were used to purchase their shares.
5. The Virtual AGM will be accessible to Shareholders and Proxies who have duly registered and received the log-in credentials. Duly registered Shareholders and Proxies will receive a short

---

Directors: Peter Mungai (Chairman), Jayne Nyokabi (Ag. Managing Director), Mbugua Gecaga, Luke Kinoti, Frida Owinga, Bertha Mvati & Nelson Ashitiva.

## AGM NOTICE



Pent Suite 01 | 5<sup>th</sup> Floor, Morningside Office Park | Ngong Road, P.O. Box 6254 – 00100, Nairobi. Tel: +254 (0) 20 272000  
[info@homeafrika.com](mailto:info@homeafrika.com) | [www.homeafrika.com](http://www.homeafrika.com)

message service (SMS) prompt on their registered mobile numbers, 24 hours prior to the AGM acting as a reminder of the AGM. A second SMS prompt shall be sent 2 hours ahead of the AGM, reminding duly registered Shareholders and proxies that the AGM will begin in 2 hours' time.

6. Duly registered Shareholders and Proxies can access the Virtual AGM using their log in credentials via [https://us02web.zoom.us/webinar/register/WN\\_J2SaJfPWQsSP2-ihAVtBYQ](https://us02web.zoom.us/webinar/register/WN_J2SaJfPWQsSP2-ihAVtBYQ) to view the livestream and vote and submit questions. Shareholders without internet access can vote and via a USSD \*23071# and submit their questions by sending a short message service (SMS) to +254 0716 80 20 70
7. Shareholders wishing to raise any questions or clarifications regarding the AGM may do so by:

### (a) During the AGM

- i) Shareholders accessing Virtual AGM via the zoom webinar link [https://us02web.zoom.us/webinar/register/WN\\_J2SaJfPWQsSP2-ihAVtBYQ](https://us02web.zoom.us/webinar/register/WN_J2SaJfPWQsSP2-ihAVtBYQ) ; click on the link and it will take you to registration. Fill in the required information. *(full names, ID/Passport Number, Shares Account Number/CDSC Account Number)*
- ii) Share Holder who want to ask a question, type their question on the chat box, send their written questions by email to [info@homeafrika.com](mailto:info@homeafrika.com) or send a short message service (SMS) to +254 0716 80 20 70

### (b) Prior to AGM

- i) Shareholders can register prior the AGM via the zoom webinar link [https://us02web.zoom.us/webinar/register/WN\\_J2SaJfPWQsSP2-ihAVtBYQ](https://us02web.zoom.us/webinar/register/WN_J2SaJfPWQsSP2-ihAVtBYQ) ; click on the link and it will take you to registration. Fill in the required information. *(full names, ID/Passport Number, Shares Account Number/CDSC Account Number)*
- ii) Sending their written questions by email to [info@homeafrika.com](mailto:info@homeafrika.com) or send a short message service (SMS) to +254 0716 80 20 70 or
- iii) To the extent possible, physically delivering their written questions with a return physical address or email address to the offices of Custodial & Investor Services, Co-operative Bank Registrar, KUSCCO Centre, Kilimanjaro Avenue-Upper Hill
  - *Shareholders must provide their full details (full names, ID/Passport Number, Shares Account Number/CDSC Account Number) when submitting their questions and clarifications by email or delivery.*

---

Directors: Peter Mungai (Chairman), Jayne Nyokabi (Ag. Managing Director), Mbugua Gecaga, Luke Kinoti, Frida Owinga, Bertha Mvati & Nelson Ashitiva.

## AGM NOTICE



Pent Suite 01 | 5<sup>th</sup> Floor, Morningside Office Park | Ngong Road, P.O. Box 6254 – 00100, Nairobi. Tel: +254 (0) 20 272000  
[info@homeafrika.com](mailto:info@homeafrika.com) | [www.homeafrika.com](http://www.homeafrika.com)

---

- *All questions and clarification must reach the Company on or before **Monday, 27<sup>th</sup> June 2022 at 10:00 a.m.***

8. Shareholders wishing to vote during the AGM:

- The shareholders in the meeting will be instructed on when to start voting. The voting icon will appear and vote for each resolution at a time
- Shareholder can also vote via USSD platform\***23071#** follow the various prompts regarding the voting process.

9. In accordance with Section 283(3) of the Companies Act, a copy of this notice and agenda, the proxy form, the Annual Report and Audited Financial Statements for the year ended 31<sup>st</sup> December 2021, the minutes of the previous AGM held on 30th September 2021 and the profiles of the new directors to be elected may be viewed on or downloaded from the Company's website at [www.homeafrika.com](http://www.homeafrika.com)

10. Results of the AGM voting shall be published on the Company's website within 24 hours following the conclusion of the AGM.

Shareholders are continuously encouraged to monitor the Company's website [www.homeafrika.com](http://www.homeafrika.com) for updates relating to the AGM due to the continuous evolving situation with the Covid-19 pandemic. We appreciate the understanding of our shareholders as we navigate the changing business conditions posed by the Covid-19 pandemic

---

Directors: Peter Mungai (Chairman), Jayne Nyokabi (Ag. Managing Director), Mbugua Gecaga, Luke Kinoti, Frida Owinga, Bertha Mvati & Nelson Ashitiva.

## PROXY FORM



Pent Suite 01 | 5<sup>th</sup> Floor, Morningside Office Park | Ngong Road, P.O. Box 6254 – 00100, Nairobi. Tel: +254 (0) 20 272000  
[info@homeafrika.com](mailto:info@homeafrika.com) | [www.homeafrika.com](http://www.homeafrika.com)

### PROXY FORM

I/We, \_\_\_\_\_ of P. O. Box  
\_\_\_\_\_ being a member/members of the above-named  
Company, hereby appoint \_\_\_\_\_  
of (postal address, email, mobile number and ID no.) \_\_\_\_\_

and failing \*him/her the Chairman of the meeting as my/our proxy to vote for me/us and on my/our  
behalf at the Annual General Meeting of the Company to be held via virtual conference on  
**Thursday, 30<sup>th</sup> June 2022 at 10.00 a.m.**, and at any adjournment thereof.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2022.

Signature(s)/Seal: \_\_\_\_\_

NB. Unless otherwise instructed, the proxy will vote as he/she thinks fit.

---

Directors: Peter Mungai (Chairman), Jayne Nyokabi (Ag. Managing Director), Mbugua Gecaga, Luke Kinoti, Frida Owinga,  
Bertha Mvati & Nelson Ashitiva.



Pent Suite 01 | 5<sup>th</sup> Floor, Morningside Office Park | Ngong Road, P.O. Box 6254 – 00100, Nairobi. Tel: +254 (0) 20 272000  
[info@homeafrika.com](mailto:info@homeafrika.com) | [www.homeafrika.com](http://www.homeafrika.com)

---

## Notes

1. In accordance with Section 298(1) of the Companies Act, shareholders entitled to attend and vote at the AGM are entitled to appoint a proxy to attend and vote on their behalf. A proxy need not be a member of the Company and **will need to have access to a mobile phone**. A proxy form must be signed by the appointor or his attorney duly authorized in writing. If the appointer is a body corporate, the instrument appointing the proxy shall be given under its common seal or under the hand of an officer or duly authorized attorney of such body corporate. **A completed form of proxy should be emailed to [info@homeafrika.com](mailto:info@homeafrika.com) or delivered to Custodial & Investor Services, Co-operative Bank Registrar, KUSCCO Centre, Kilimanjaro Avenue-Upper Hill, so as to be received not later than Tuesday, 28<sup>th</sup> June 2022 at 10.00 a.m.** When nominating a proxy, the **ID/Passport No, email and mobile number of the proxy** must be submitted to facilitate registration. Any proxy registration that is rejected will be communicated to the Shareholder concerned no later than Tuesday, 28<sup>th</sup> June 2022 to allow time to address any issues.
2. Registration for the AGM opens on **Monday, 6<sup>th</sup> June 2022 at 10:00 a.m. and will close on Monday, 27<sup>th</sup> June 2022 at 12:00 noon**. Shareholders will not be able to register after Monday, 27<sup>th</sup> June 2022 at 12:00 noon.
3. For assistance, shareholders should dial the following helpline number: + 254 020 277 2000 or +254 0716 80 20 70 from 9:00 a.m. to 3:00 p.m. during the registration open period. Any shareholder outside Kenya should dial the helpline number or email [info@homeafrika.com](mailto:info@homeafrika.com) to be assisted to register.
4. Duly registered Shareholders and Proxies wishing to participate in the meeting should register for the AGM online at [https://us02web.zoom.us/webinar/register/WN\\_J2SaJfPWQsSP2-ihVtBYQ](https://us02web.zoom.us/webinar/register/WN_J2SaJfPWQsSP2-ihVtBYQ) or vote via USSD using short code number **\*23071#** and following the various prompts regarding the registration process. In order to complete the registration process, shareholders will need to have their Share Account Number or CDSC Account Number and the ID/Passport Number which were used to purchase their shares.
5. The Virtual AGM will be accessible to Shareholders and Proxies who have duly registered and received the log-in credentials. Duly registered Shareholders and Proxies will receive a short message service (SMS) prompt on their registered mobile numbers, 24 hours prior to the AGM

---

Directors: Peter Mungai (Chairman), Jayne Nyokabi (Ag. Managing Director), Mbugua Gecaga, Luke Kinoti, Frida Owinga, Bertha Mvati & Nelson Ashitiva.



Pent Suite 01 | 5<sup>th</sup> Floor, Morningside Office Park | Ngong Road, P.O. Box 6254 – 00100, Nairobi. Tel: +254 (0) 20 272000  
[info@homeafrika.com](mailto:info@homeafrika.com) | [www.homeafrika.com](http://www.homeafrika.com)

---

acting as a reminder of the AGM. A second SMS prompt shall be sent 2 hours ahead of the AGM, reminding duly registered Shareholders and proxies that the AGM will begin in 2 hours' time.

6. Duly registered Shareholders and Proxies can access the Virtual AGM using their log in credentials via [https://us02web.zoom.us/webinar/register/WN\\_J2SaJfPWQsSP2-ihAVtBYQ](https://us02web.zoom.us/webinar/register/WN_J2SaJfPWQsSP2-ihAVtBYQ) to view the livestream and vote and submit questions. Shareholders without internet access can vote and via a USSD \*23071# and submit their questions by sending a short message service (SMS) to +254 0716 80 20 70
7. Shareholders wishing to raise any questions or clarifications regarding the AGM may do so by:

**(a) During the AGM**

- i) Shareholders accessing Virtual AGM via the zoom webinar link [https://us02web.zoom.us/webinar/register/WN\\_J2SaJfPWQsSP2-ihAVtBYQ](https://us02web.zoom.us/webinar/register/WN_J2SaJfPWQsSP2-ihAVtBYQ) ; click on the link and it will take you to registration. Fill in the required information. *(full names, ID/Passport Number, Shares Account Number/CDSC Account Number)*
- ii) Share Holder who want to ask a question, type their question on the chat box, send their written questions by email to [info@homeafrika.com](mailto:info@homeafrika.com) or send a short message service (SMS) to +254 0716 80 20 70

**(b) Prior to AGM**

- i) Shareholders can register prior the AGM via the zoom webinar link [https://us02web.zoom.us/webinar/register/WN\\_J2SaJfPWQsSP2-ihAVtBYQ](https://us02web.zoom.us/webinar/register/WN_J2SaJfPWQsSP2-ihAVtBYQ) ; click on the link and it will take you to registration. Fill in the required information. *(full names, ID/Passport Number, Shares Account Number/CDSC Account Number)*
- ii) Sending their written questions by email to [info@homeafrika.com](mailto:info@homeafrika.com) or send a short message service (SMS) to +254 0716 80 20 70 or
- iii) To the extent possible, physically delivering their written questions with a return physical address or email address to the offices of Custodial & Investor Services, Co-operative Bank Registrar, KUSCCO Centre, Kilimanjaro Avenue-Upper Hill
  - *Shareholders must provide their full details (full names, ID/Passport Number, Shares Account Number/CDSC Account Number) when submitting their questions and clarifications by email or delivery.*
  - *All questions and clarification must reach the Company on or before **Monday, 27<sup>th</sup> June 2022 at 10:00 a.m.***

---

Directors: Peter Mungai (Chairman), Jayne Nyokabi (Ag. Managing Director), Mbugua Gecaga, Luke Kinoti, Frida Owinga, Bertha Mvati & Nelson Ashitiva.



Pent Suite 01 | 5<sup>th</sup> Floor, Morningside Office Park | Ngong Road, P.O. Box 6254 – 00100, Nairobi. Tel: +254 (0) 20 272000  
[info@homeafrika.com](mailto:info@homeafrika.com) | [www.homeafrika.com](http://www.homeafrika.com)

---

8. Shareholders wishing to vote during the AGM:
  - i. The shareholders in the meeting will be instructed on when to start voting. The voting icon will appear and vote for each resolution at a time
  - ii. Shareholder can also vote via USSD platform\***23071#** follow the various prompts regarding the voting process.
9. In accordance with Section 283(3) of the Companies Act, a copy of this notice and agenda, the proxy form, the Annual Report and Audited Financial Statements for the year ended 31<sup>st</sup> December 2021, the minutes of the previous AGM held on 30th September 2021 and the profiles of the new directors to be elected may be viewed on or downloaded from the Company's website at [www.homeafrika.com](http://www.homeafrika.com)
10. Results of the AGM voting shall be published on the Company's website within 24 hours following the conclusion of the AGM.

Shareholders are continuously encouraged to monitor the Company's website [www.homeafrika.com](http://www.homeafrika.com) for updates relating to the AGM due to the continuous evolving situation with the Covid-19 pandemic. We appreciate the understanding of our shareholders as we navigate the changing business conditions posed by the Covid-19 pandemic

---

Directors: Peter Mungai (Chairman), Jayne Nyokabi (Ag. Managing Director), Mbugua Gecaga, Luke Kinoti, Frida Owinga, Bertha Mvati & Nelson Ashitiva.





Pent Suite 01  
5<sup>th</sup> Floor, Morningside Office Park  
Ngong Road

---

P.O. Box 6254-00100, Nairobi, KE  
Phone: +254 20 277 2000/ +254 716 802 070  
info@homeafrika.com



Home Afrika Ltd



@HomeAfrika



Home Afrika Limited



HOME AFRIKA

[www.homeafrika.com](http://www.homeafrika.com)